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Nagorno-Karabakh Cease-Fire Achieved at Moscow Talks

LD1605143194 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 16 May 94

[From the "Novosti" newscast]

[Text] At a meeting between the defense ministers of Armenia and Azerbaijan and the commander of the Karabakh Army today, an agreement was signed envisaging a reliable ceasefire in Karabakh.

[Correspondent Murtazin] To judge by all events, for the first time in the six years of the Karabakh conflict, today the warring sides have reached a final accord on a ceasefire. This is to take place at midnight on 16-17 May. Pavel Grachev has taken the process of disengaging the troops into his own hands. Journalists were invited to the meeting, which probably witnesses to the fact that all fundamental issues had already been settled.

The main thing is a total ceasefire along the entire frontline. According to the Russian minister's plan, by 25 May the warring sides should be withdrawn to a distance of between 5 and 15 kms from the contact lines. The security zones thus created will be occupied by Russia's peacekeeping forces under the command of First Deputy Defense Minister Georgiy Kondratyev.

Issues relating to the withdrawal of troops from the territory of Azerbaijan will be resolved not by the military, but by politicians: it is they who will determine the staus of Nagorno-Karabakh.

Further Details on Cease-Fire Agreement

LD1605150094 Moscow ITAR-TASS World Service in Russian 1405 GMT 16 May 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Moscow, 16 May—The leaders of the defense departments of Azerbaijan, Armenia, and Nagorno-Karabakh should issue an order today to cease-fire starting midnight 16-17 May. An accord on this was reached in Moscow today during the talks between the defense departments of the three sides, with the mediation of Russian Defense Minister Pavel Grachev.

Questions of the first stage of settling the Armenian-Azerbaijan conflict with a cease-fire and separating the sides within the framework of the protocol that was signed on 18 February this year were discussed.

Under the accords that will be signed by the leaders of the military departments tomorrow, the lines of contact from which the troops will be withdrawn beginning 25 May—to a distance of five to 10 kilometers, depending on the local conditions—will be set. It is intended to create and set up by 24 May 49 observation posts along the demarcation line. Russian officers will command the posts, but their companies will comprise representatives of the sides, possibly of the CIS states, and the CSCE. It is proposed that special peacekeeping forces of Russia or the CIS states numbering around 1,800 should be set up to guarantee the safety of the posts.

Moreover, a reserve of forces and weapons on the scale of one motorized rifle battalion will be set up.

It has been provisionally agreed that the peacekeeping will be funded equally by Azerbaijan, Armenia, and Nagorno-Karabakh.

The parties agreed that the protocol on today's meeting would stipulate the commencement of the second stage—elimination of the consequences of the conflict, withdrawal from Azerbaijani territory, and return of refugees—immediately after the first stage. The question of Nagorno-Karabakh's status will then be decided at a political level.

General supervision of the peacekeeping has been entrusted to Colonel General Georgiy Kondratyev, Russian deputy minister of defense. Plans for this peacekeeping operation are to be drawn up by 19 May for approval by the Russian president and agreement with the leaders of Armenia and Azerbaijan.

For the first time, the talks were held with the press present. The military delegations of the participants in the talks were headed by Azerbaijani Defense Minister Mammadrafi Mammadov, Armenian Defense Minister Serzh Sargsyan, and Samvel Babayan, the commander of the Nagorno-Karabakh self-defense army. The Armenian and Azerbaijani ambassadors and Russian Ambassador-at-Large Vladimir Kazimirov also took part.

Karabakh Settlement Talks End in Failure

LD1705112894 Moscow Radiostantsiya Ekho Moskvy in Russian 1100 GMT 17 May 94

[Text] The talks in Moscow on the Karabakh settlement have ended in failure. The signing of that protocol was actually thwarted by the Armenian side, which demanded that the status of Nagorno-Karabakh be defined and that, in parallel, troops from the seized Azerbaijani territories be withdrawn.

Unfortunately, the Armenian mission in Moscow also confirmed that the talks have ended in nothing. It blamed everything on the Azerbaijani delegation, which allegedly refused to sign the document.

Karimov Calls for CIS Economic Integration

LD1705084394 Moscow ITAR-TASS in English 0809 GMT 17 May 94

[By ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo May 17 TASS—Interviewed here by ITAR-TASS, Uzbek President Islam Karimov, currently visiting Japan, today called for genuine economic integration of the republics of the former USSR. He

expressed the view that the "Commonwealth of Independent States was used by some politicians as a screen behind which they could carry on their affairs".

"I stand for the quickest possible economic integration of the republics of the former USSR, lack of which brings sufferings to all of them—Russia, Uzbekistan, Kazakhstan, Kyrgyzstan and all the rest," Karimov noted. He stressed that Uzbekistan backed the idea of setting up an economic union within the frameworks of the CIS. "This is why," the president said, "Kazakhstan, Kyrgyzstan and Uzbekistan concluded an agreement at the end of April on a single economic space covering the three. Karimov pointed out that the tripartite economic union was open for Russia and all the other republics of the former USSR. Russian President Boris Yeltsin was informed about this.

"We presume that the single economic space, created by the three republics, is a prototype of the economic union that must be set up within the frameworks of the entire Commonwealth of Independent States," the president said. He denied as groundless all the press reports claiming that the Central Asian republics were shutting themselves off from the other republics.

Karimov expressed great doubts about the feasibility of the idea of setting up a Euro-Asian union on the basis of the CIS republics. He urged to "fully implement the CIS idea through economic integration".

Baltic Ministers Sign Accord on Social Security

WS1705114094 Tallinn BNS in English 1627 GMT 16 May 94

[Text] TALLINN, May 16, BNS—A social affairs and related areas ministers-level meeting of Estonia, Latvia and Lithuania in Tallinn today signed a memorandum on social security and protection.

The document, prepared at a meeting in the Lohusalu seaside resort near Tallinn last weekend, deals with the developing of the social security and social protection systems, health care and labor market organization.

The problems of the three countries in this field are very much the same and are mainly connected with shortage of funds, Estonian Social Affairs Minister Marju Lauristin said. All three countries are aiming toward creation of a social security framework that would be suitable for a poor country and cover the entire population, she added.

Also the health care structures of Estonia, Latvia and Lithuania are facing common problems in their transition to a so-called family doctors' general practitioner system to form the basic level in their health care structures.

The third most topical issue is coordination of decisions concerning the labor market and protection of the labor market, the minister told reporters.

While introducing changes in these three areas the Baltics are keeping in view their possible joining with the European Union and are proceeding from the standards now valid in Europe.

The meeting also set up five different commissions—on social security issues, on social protection, on issues of the work force market, on employment, and on health care. The three countries are to draw up a common social development project to be presented to European and worldwide forums.

This was also the first time for the social and related affairs ministers from the three Baltic countries to meet at a common table.

ITAR-TASS Carries Press Review for 17 May

LD1705062994 Moscow ITAR-TASS in English 0519 GMT 17 May 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow May 17—The Russian national newspapers comment of the blast that destroyed a considerable amount of ammunition of the Russian Pacific Fleet. NEZAVISIMAYA GAZETA quotes Maritime Territory Governor Yevgeniy Nazdratenko as saying that the accident was a result of the "thoughtless practice" of reducing the army and the navy and insufficient funding, which have led to the weakening of discipline in units and formations.

TRUD suggests that "as always we will now calculate the damage which could have been avoided, and continue to hope for the better. There will probably be no next blast. But who can guarantee that more people will not have to flee their burning houses and bury their loved ones hit by unsparing shell fragments?".

The newspapers also comment on the explosion in Tbilisi's Armenian theatre. NEZAVISIMAYA GAZETA reports that "the Georgian leader made a statement saying the act of terror was aimed not at the Armenians residing in Georgia but personally at the head of state and his policy".

KOMSOMOLSKAYA PRAVDA daily says the investigator in charge has no doubt that "it was just another routine act of diversion". An unofficial version is that the accident is an echo of the Karabakh war. Acts of subversion on Georgian territory against Armenians and Azeris are a permanent headache for Georgian security forces."

NEZAVISIMAYA GAZETA carried an interview with the secretary of the council of defence ministers of the Commonwealth member-countries Leonid Ivashov. Asked whether the Baltic countries have shown any interest in interacting with the CIS member countries in the military field replied, "no active steps have yet been taken but I am sure that this process is bound to begin earlier or later. The past two years have convincingly

shown that playing up to the public in politics is one thing and real life is something else. We, former Soviet republics, are necessary to ourselves and to other ex-Soviet republics. The rest of the world has a different interest in us. The politicians should start thinking about the future of their children and grandchildren. It does not take a lot of brains to destroy things...".

The same newspaper comments on last week's Geneva talks on Bosnia: "What happened at the Geneva meeting of the foreign ministers of Russia, the United States, France, Britain, Germany. Belgium and Greece, as well as of representatives of the United Nations and the European Union, was evaluated by all the participants as the world community's breakthrough in the Bosnian direction. For the first time the parties immediately involved in the settlement of the crisis reached a uniform understanding of the problem and took a common stand".

ROSSIYSKIE VESTI publishes a viewpoint of Russian parliamentarians on the current elections in Ukraine, as formulated by Yevgeniy Krinitskiy, an expert of the State Duma Committee for Commonwealth affairs and relations with compatriots. According to him, "our observers have no doubt that the public opinion vector in Ukraine is clearly shifting towards pro-Russian sentiments. This is not a theoretical assumption, as the fact has been confirmed by a republic wide poll. Russia's position should be oriented toward strengthening ties with Ukraine without any infringement of its national and state dignity, on the basis of mutual respect and mutual benefit".

The same newspaper carries and interview with Bulgarian Ambassador to Russia Kristo Miladinov who points out that "the disruption of links is painful and affects the wellbeing of both countries. The attempts of our (Bulgarian) entrepreneurs to find a niche in the West has led nowhere. Even given an agreement with the European Union we cannot force our way onto the European: We cannot compete in either prices or quality of our products or in stability of deliveries, i believe—and many people agree with this—that the Commonwealth and Russia first of all must remain our main trade partners".

NOVAYA YEZHEDNEVNAYA GAZETA (New Daily) reports that "the chairman of the Russian State Committee on Defence Industries has announced that Russia pans to increase its arms exports by 50 per cent this year. Given that the Russian gas and oil industry is experiencing hard times, arms exports can become one of the main sources of Russia's hard currency earnings. Russia's main clients in this field are China and India who buy between them one half of all the arms Russia sells abroad. in addition, the country is planning to make its way onto new markets, among which the Middle and Near East is the most promising".

KRASNAYA ZVEZDA reports that "according to the Georgian health minister, Avtandil Dzhorpenadze, 17 thousand of the republic's inhabitants have been infected with rabies and are in need of urgent medical treatment. Several deaths have already been registered. The minister thinks an epidemic is likely to flare up in summer unless emergency measures are taken to enforce sanitary order. A special commission of the Health Ministry has reported that the situation is the worst in Adzharia.

Russia Objects to U.S. Elimination of Kazakh Missiles

LD1705135094 Moscow ITAR-TASS in English 1318 GMT 17 May 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow May 17 TASS—Kazakhstan wants to invite U.S. experts to dismantle Russian-made nuclear missiles which it had inherited from the former Soviet Union and the decision causes concern among the Russian military.

"The access of experts of third countries to Russian missile complexes for their dismantling contradicts the Russian-Kazakh agreement on strategic nuclear forces and the treaty on military cooperation", Aleksandr Volkov, first deputy commander-in-chief of the Russian Strategic Missile Forces, told TASS on Tuesday.

Russian experts are currently removing nuclear warheads from the missiles, extracting them from silos and preparing for transportation, according to Volkov who added that Russia had pledged to transfer to its territory all nuclear components for elimination by May 1, 1995. He stressed that financial aspects of dismantling and elimination have been fixed in a separate Russian-Kazakh agreement.

In the meantime, three U.S. companies want to eliminate the SS-18 missiles in Kazakhstan and are planning to request the U.S. Congress to appropriate 75 million dollars for that, according to Kazakh mass media which reported that the main bulk of the missiles is to be destroyed, while ten of them are to be used as spacecraft carriers. The Kazakh-U.S. cooperation idea in the sphere has emerged after the visit of President Nursultan Nazarbayev to the United States.

The invitation to U.S. experts to dismantle Russian missiles affects not only the Russian interests, but also of missile constructors in other CIS countries. According to Aleksandr Piskunov, deputy chairman of the Russian State Duma committee on defence, the Kazakh decision ignores the right to intellectual property and thus contradicts international norms.

Grachev, Perry Discuss Joint Military Exercises

LD1705083594 Moscow Ostankino Television First Channel Network in Russian 0500 GMT 17 May 94

[From the "Novosti" newscast]

[Text] Defense Minister Pavel Grachev and U.S. Defense Secretary William Perry discussed Russian-American exercises in a telephone conversation and agreed on a meeting in Brussels. Yelena Agapova, aide to the Russian minister, told INTERFAX that the telephone conversation took place on Monday [16 May] night at the request of the United States. Pavel Grachev supported the idea of holding joint Russian-American command and staff exercises at the Totskoye testing range but said that Russian legislators still had to make a final decision on this. During the conversation, Grachev also expressed concern over the situation in the Brcko area in Bosnia.

U.S. ABM Plans Jeopardize Nonproliferation

PM1205134194 Moscow KRASNAYA ZVEZDA in Russian 12 May 94 p 3

[Article by Candidate of Historical Sciences Irina Zhinkina, member of the Russian Academy of Sciences Institute of the United States of America and Canada: "The Aim of the Maneuvering over the ABM Treaty"]

[Text] The Clinton administration is making increasingly strenuous efforts to have the provisions of the 1972 ABM Treaty reviewed. The intensive hearings on this problem that are being held in the Senate Foreign Relations Committee provide evidence of the fact. Recently, for example, it examined once more the White House's proposals to lift the restrictions on the number of ABM systems capable of destroying missiles with an operational range of up to 2,000 miles.

In this connection it should be noted that a law on ABM defense went into force in the United States back in December 1991. It incorporated the old approaches of strategic nuclear deterrence and new ones which reflect the trend toward the regionalization of U.S. military policy. The law obliged the defense secretary to step up the development of theater ABM systems with a view to the subsequent selection of the most promising options for deployment in the mid-nineties, using cost and efficiency as the criteria.

The law also talks about the creation of ABM systems to protect the country's territory against limited ICBM strikes, including those resulting from accidental and unauthorized launches, as well as missile attacks from Third World countries. It should be noted in this context that under the 1972 ABM Treaty both the USSR and the United States are allowed to have only one ABM complex each—around Moscow and at the Grand Forks air base respectively. Nevertheless, the U.S. ABM law envisages the modernization of the complex at that air base as an initial step in the deployment of an all-embracing ABM system for the continental United States in the near future. But that is nothing less than a clear departure from the 1972 Treaty. The Clinton administration has not only confirmed its readiness to implement these amended Reagan plans but even, by all accounts, intends going further in that direction.

Thus the law leads one to conclude that the United States is trying to split ABM defense into two parts and "separate" strategic ABM defense from theater ABM defense. It is doing this, on the one hand, to retain greater freedom in case Russia insists on the precise observance of the 1972 Treaty and returns to the old principle of the comprehensive examination of offensive and defensive arms. On the other hand, some of the strategic tasks formerly assigned to strategic nuclear

arms are being "reassigned" to nonnuclear systems, which will then be dispersed and stationed where possible outside U.S. territory. And finally, while continuing the program of creating an ABM defense system in this new interpretation, the United States retains the lead in the sphere of the latest military technologies.

But why did the idea of ABM deployment not disappear into the past along with the end of the Cold War? The threat of communism seemed to have been "dispelled." Russia and China are taking the path of market reforms and the democratization of society, and the main U.S. adversary—the USSR—has disintegrated. Treaties on unprecedented reductions of strategic offensive arms have been signed. The 1994 accord on the mutual non-targeting of nuclear weapons against installations in the United States, Britain, and the CIS is being implemented. The nuclear weapons remaining outside Russia's territory are gradually being dismantled and there are prospects of further progress in this direction. Thus the issue is not solely one of communism and the "Soviet threat."

For the United States one problem now is how to maintain and expand its sphere of influence in the world and how to ensure the further promotion of U.S. interests and capital in the absence of the old consolidating factor—the threat to the West from the communist camp. It is no coincidence that, with the disintegration of the Warsaw Pact and the USSR, U.S. experts began trying to foist on world public opinion a new "scare" to the effect that Moscow could not control its own missiles and nuclear weapons and that they would now be sold off and proliferate around the world.

Of course, it may be conceded that these fears are to a certain extent justified. But that problem could have been settled in the process of bilateral relations without a clamorous worldwide propaganda campaign. You cannot help suspecting that this campaign has been undertaken for the purpose of preparing public opinion for the possible deployment of new U.S. arms systems, including theater ABM defense. In any event the Pentagon is already modernizing the ground-launched Patriot missile and the sea-launched Aegis missile right now for use against short-range missiles. Work is also in progress to create an ABM complex to destroy high-altitude targets or THAAD, as it is known.

A quite specific question arises here: In that event, what is Russia supposed to do? It must be stressed here that, whereas previously the USSR was still able to link the ABM problem to the question of reducing strategic offensive arms, Russia no longer has that ability now. In 1989, first E. Shevardnadze at the meeting in Wyoming and then M. Gorbachev in Malta agreed, under pressure from the Americans, to abandon the comprehensive examination of the problem of strategic offensive weapons and ABM defense. Admittedly, in the event of a full-scale American deployment of a strategic ABM defense system we can announce our withdrawal from the START treaties. But from the military viewpoint that will probably be too late, and from the political viewpoint it will not be very productive.

It may also be assumed that the United States will try to share the blame for breaching the ABM Treaty with Russia by offering it some participation in its own program, with appropriate rewards. Such attempts are already being made. However, let us not flatter ourselves about the results. Suffice it to recall how the United States treated the British at the dawn of the nuclear era: The Americans made use of their interim achievements in the creation of nuclear arms and then broke their promise to share the end results of that work.

Nevertheless, it would be wrong to think that Russian policy is ready to let the ABM question slide. Our country is conducting a fairly intensive negotiation process with the United States in which it is upholding the inviolability of the 1972 ABM Treaty. Its position is also based on the opinion of those American politicians and specialists who believe that the revision of that treaty's provisions could undermine the international efforts to ensure the nonproliferation of especially dangerous types of armaments.

As for theater ABM defense, this problem must be resolved in two areas, in my view. One is to work with the United States to define the criteria for this type of armament and formulate them in, for instance, an additional protocol to the ABM Treaty. The other is to discuss at international level the possible consequences of the deployment of new U.S. regional weapons systems, including theater ABM defense. It probably makes sense to propose holding talks on these problems with those countries on whose territory they might appear first. Efforts must be made to prevent the emergence of new ABM systems—which would undoubtedly provoke countries to create arms capable of overcoming them. In practice this will lead to a new round of the arms race.

U.S. Concern Over 'Anti-Americanism' Noted

PM1605110194 Moscow IZVESTIYA in Russian 14 May 94 p 3

[Maksim Yusin article: "U.S. Administration's Attitude to Russia Could Change If Russian Authorities Follow Opposition's Foreign Policy Recipe"]

[Text] Wasnington-Moscow—"The day when Russia joins the 'Partnership for Peace' program will be a great day for Europe." Bob Graham, Democratic senator from Florida and a close friend of President Clinton, is convinced that Russia will continue to be one of the administration's main foreign policy concerns in the foreseeable future.

During a trip to Washington organized by the U.S. NATO mission for journalists from 22 European countries, the subject of Russian-U.S. relations overshadowed all other issues, with the sole exception of the Bosnia crisis. Officials and experts from the State Department, the Pentagon, the National Security Agency, and the

Congressional Research Service made no secret of the fact that many points of concern to Washington have recently emerged in Russian policy.

First and foremost there is Moscow's skepticism about the "Partnership for Peace" program. Russia's unexpected decision to delay joining the "Partnership" indefinitely was a nasty surprise for the Americans. When nationalists and Communists in the Duma oppose military cooperation with the West, that surprises nobody, but it is quite another matter when the president and defense minister start adopting that stance....

Washington finds the arguments put forward by Moscow against "Partnership" less than convincing. "Russia is demanding special status in relations with NATO. But it will have such a status," was the assurance given by a high-ranking Pentagon official who was speaking to journalists, like most officials, anonymously. "Perhaps not everyone in Moscow realizes that 'Partnership for Peace' is actually not one partnership but many. Each side implements **its own** cooperation program with NATO. When Russian colleagues tell me that they do not want to be playing the same role as Albania, I say: 'Look at the map. Yours is a huge country with a very powerful army, you are a nuclear power. Who would think of comparing you with Albania?' Naturally, we will have an entirely special relationship with Russia—a closer and a detailed relationship. I see no serious reason why Russia should renounce participation in 'Partnership' and deliberately condemn itself to isolation."

In the Americans' opinion, Moscow's vacillation over both cooperation with NATO and the much-troubled Russian-U.S. joint maneuvers is due to domestic factors. Following the reformers' failure in the December elections, Yeltsin has changed the emphasis in foreign policy, espousing some of the opposition's ideas. These include—however unpalatable it may be for Washington to recognize it—the arbitrary anti-Americanism of the Russian "patriots."

Researchers from the "security policy research center," who regularly send reports to the White House, Congress, and the State Department, are convinced that since December the Russian authorities have lost their reformist potential, that a rapid retreat into the past has begun, and that the world is on the threshold of a new era of confrontation between Washington and Moscow. Frank Gaffney, one of the center's leading experts, believes that it would be a mistake to involve Russia in "Partnership for Peace" and that the program in general is of no value to the West—the functions of restraining Russian expansionism could be successfully handled by NATO. Former Secretary of State Henry Kissinger and former National Security Adviser Zbigniew Brzezinski are of a similar opinion.

The White House is in no hurry to follow their recommendations. Washington's policy toward Moscow is determined to a considerable extent by Strobe Talbott, deputy secretary of state, who is a Yeltsin supporter and believes that Russian reform will succeed. It is premature to talk about a revision of the U.S. approach to Russia. In the opinion of most of the specialists to whom I talked during the trip, the Clinton administration has staked too much on Yeltsin to suddenly deprive him of support and recognize that the tone in Russia is now set by the nationalists rather than the democrats. "We are proceeding on the basis that the Russian Government is keeping faith with the reform policy, does not plan to implement an imperial policy toward its neighbors, and is geared to cooperation with the United States," a high-ranking State Department official stated.

Concern over Russia's relations with the other republics of the former USSR was repeatedly evident during my meetings with U.S. officials. They clearly indicated that, if Yeltsin and his entourage follow the hard-line opposition's recipe in their foreign policy (above all in resolving territorial disputes with neighbors), the Clinton administration's approach to Russia could change. The Americans consider the Kremlin's increasing pressure on the Baltic states and the troop withdrawal delay unacceptable, and, in the event of any infringement of Ukraine's territorial integrity, Senator Graham has promised to employ "effective economic and political measures."

But as far as the stepping up of the Kremlin's role in the Transcaucasus and Central Asia is concerned, none of the people I spoke to condemned Moscow—as if tacitly admitting that the states which have taken shape there form part of its sphere of special interest. No longer seeing Russia as the strategic enemy of the United States, U.S. diplomats clearly prefer Moscow's influence in these explosive regions to be strengthened in preference to that of fundamentalist Iran or other Islamic states.

Grachev To Brief NATO on Russian Military Tenets

LD1605152594 Moscow ITAR-TASS World Service in Russian 1435 GMT 16 May 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Moscow, 16 May—During the address to NATO leaders and to the heads of the bloc countries' military departments, which is planned in Brussels for 24 May, Russian Defense Minister Pavel Grachev will put forward the main tenets of Russia's military doctrine and proposals for the Partnership for Peace program. Grachev told this to journalists today after his meeting with the leaders of the military departments of Azerbaijan, Armenia, and Nagorno-Karabakh. "I am ready to answer any question so that nobody has any doubts about anything after this meeting," Pavel Grachev stated.

As far as the Partnership for Peace program is concerned, Pavel Grachev and U.S. Defense Secretary William Perry will hold another telephone conversation on this at 1915 this evening.

The Russian minister said that he does not intend to submit an alternative to the Partnership for Peace program in Brussels, rather its Russian version. "We are nontheless still a superpower," Pavel Grachev stated, "and it is not quite right to put us on the same level as other states, we have to be reckoned with. We should have our own view of partnership."

Duma Chairman Rybkin Leads Delegation Visit to China

LD1405043794 Moscow ITAR-TASS World Service in Russian 0019 GMT 14 May 94

[By ITAR-TASS correspondents Grigoriy Arslanov and Pavel Spriin]

[Text] Beijing, 14 May—The first official visit to China by a Russian Federation legislative body—the Russian State Duma—is under way. Ivan Rybkin, chairman of the Russian Duma, is heading the visit. The Russian delegation arrived in Beijing at the invitation of the Standing Committee of the National People's Congress. The visit is being carried out within the framework of the accords on the development of all-round ties between the two neighboring states—reached during the visit to China by Russian Federation President Boris Yeltsin in December 1992.

In an interview with the ITAR-TASS correspondent at Shoudu airport, Rybkin said: "The purpose of the visit by the delegation from the State Duma is to promote the development of good relations at the executive level, as well as to promote legislative authority in the two great neighbors. Everything must be done to strengthen constructive cooperation between the State Duma and the Federation Council of Russia and the National People's Congress. There is enormous potential for cooperation between the two friendly states."

The representative delegation of the State Duma will hold talks with (?Qiao Shi), chairman of the Standing Committee of the National People's Congress, and will familiarize itself with the law-making work of the PRC's supreme body of state authority in conditions of the transition to the market, while Chinese economic reform is in progress.

It is expected that the Russian delegation, the members of which include representatives of practically all parliamentary factions, will be received by President Jiang Zemin and Li (?Lanquing), deputy premier of the PRC State Council.

The delegation is scheduled to make a trip to Shanghai, as well as to the special economic zone at Shenzhen, in southern China. That is the site of an experimental laboratory for Chinese reforms and the policy of openness. The itinerary includes meetings and conversations with the heads of the national congresses of Shanghai and Shenzhen, visits to industrial and agricultural enterprises, trade and economic complexes, and familiarization with the work of the local bodies of state authority.

Rybkin Urges Closer Ties With China

LD1405175494 Moscow ITAR-TASS in English 1733 GMT 14 May 94

[By ITAR-TASS correspondents Grigoriy Arslanov and Pavel Spirin]

[Text] Beijing May 14 TASS—Russian State Duma Chairman Ivan Rybkin called for strengthening Russian-Chinese relations.

"I am confident that Russia will overcome the crisis in its development. Boosting interaction with China will become one of the factors facilitating the quest for ways to improve the situation in the region," Rybkin said at a meeting with Chinese Standing Committee Chairman Qiao Shi.

Rybkin is in China on an official visit.

"We are bound to live together by destiny and must supplement each other through close cooperation for our mutual benefit," Rybkin said. Russia is going through radical transformation and has serious interest in Chinese reforms, he said.

The Russian leadership is determined to continue "serious work in the interests of strengthening bilateral relations." Russian Prime Minister Viktor Chernomyrdin's upcoming visit is viewed as part of this policy, Rybkin said.

Qiao Shi shared his words, adding that "China and Russia are neighbours. We value good neighbourly and friendly relations between the two countries which were not easy to establish."

He pointed out that China's policy aims at developing friendly relations with all countries, including Russia, on the basis of the five principles of peaceful co-existence. Qiao Shi expressed the hope that bilateral cooperation between Russia and China will expand and grow.

Rybkin invited Qiao Shi to visit Russia.

He also met with Deputy Chinese Foreign Minister Tian Zenpei who confirmed that relations with Russia are one of the priorities of the Chinese foreign policy. He noted that the two countries have similar positions on many issues.

Speaking about recent hearings in the State Duma on Russian-Chinese relations, the Chinese diplomat said that Duma factions have close positions on relations with China, despite disagreements over other matters.

He said the Chinese Foreign Ministry stands for further development and strengthening of relations between the Russian and Chinese parliaments.

Rybkin Meets With Chinese Officials

LD1505122194 Moscow ITAR-TASS in English 1122 GMT 15 May 94

[By ITAR-TASS correspondents Grigoriy Arslanov, Pavel Spirin]

[Text] Beijing May 15 TASS—"Talks with leaders of the permanent committee of the Chinese Assembly of People's Representatives and other Chinese officials are being held in a businesslike atmosphere," said visiting chairman of the lower house of the Russian Parliament, Ivan Rybkin, in an interview with ITAR-TASS on Sunday.

According to Rybkin, Chinese representatives reiterated that "Russia's coordinates are of priority importance in the Chinese foreign policy." He pointed out that during the talks between the Russian parliamentary delegation and Chinese officials there was a broad exchange of opinions on problems of bilateral ties and international politics.

Rybkin pointed out a great role played by the State Duma in the formation of Russian diplomacy and the public opinion, which can be seen from recent parliamentary hearings on the entire spectrum of Russo-Chinese relations.

Touching upon prospects for trade and economic cooperation between Russia and China, Rybkin pointed out that there is a big potential in this sphere which was not used up.

"The chairman of the Chinese of the State Planning Committee put down in his note-book our proposal to supply Siberian goods to nearby Chinese areas. Russian goods are cheaper than those imported by China, for instance, from Canada, are no worse in quality and more accessible, taking into account a short distance between the partners," Rybkin said.

"I believe that a joint Russo-Chinese commission will work to mutual advantage. Russia, possessing the necessary technologies and highly-qualified experts, might take part in a competition for the construction of the hydro-power complex Sanxi on the Yangtze river, which is the biggest in the world. The Russian "Elektrosila" plant in St. Petersburg is unrivalled in this field," Rybkin noted.

Later in the day, Rybkin laid a wreath at the monument to people's heroes in Beijing.

Rybkin, Chinese President View Ties

LD1605042594 Moscow ITAR-TASS in English 0353 GMT 16 May 94

[By ITAR-TASS correspondents Grigory Arslanov, Pavel Spirin]

[Text] Beijing May 16—Russia's State Duma Chairman Ivan Rybkin, who is leading a delegation from the Russian legislature to Beijing, met Chinese Chairman Jiang Zemin on Monday for an exchange of views on bilateral relations.

"I am very glad that the State Duma maintains friendly ties with the Chinese People's Assembly," Jiang Zemin said. "This will undoubtedly play an important role in the development of our relations," the Chinese leader said.

Ivan Rybkin briefed the Chinese leader on the work of the State Duma, the Lower Chamber of the Russian Federal Assembly. He said the Russian lawmakers had held hearings on Russian-Chinese relations.

"Irrespective of political sympathies we decided that our relations with great China are a high priority," he stressed.

More on Rybkin Talks With Jiang

LD1605134594 Moscow ITAR-TASS in English 1306 GMT 16 May 94

[By ITAR-TASS correspondents Grigoriy Arslanov and Pavel Spirin]

[Text] Beijing May 16 TASS—Russian Federation State Duma Chairman Ivan Rybkin, who is in Beijing at the head of a delegation of Russian lawmakers, had a meeting today with Chairman of China Jiang Zemin. During the talks they exchanged views on a wide range of questions of bilateral relations.

The Chinese leader expressed confidence that the great people of Russia can overcome all their difficulties, and success awaits them. "There is a need of stability and concord. They are prerequisites of any kind of reforms," Jiang Zemin emphasised.

"I am very glad that the State Duma maintains friendly ties with All-China Assembly of People's Representatives. This will, undoubtedly, play an important role in the development of our relations," the Chinese leader added.

The State Duma chairman conveyed greetings to the Chinese chairman from Russian President Boris Yeltsin and on his behalf reaffirmed invitation to Jiang Zemin to visit Russia. He expressed the hope that during his visit to Russia the Chinese leader will meet the State Duma deputies and tell them about the experience of Chinese reforms.

During the meeting Ivan Rybkin elaborated on work of the State Duma. In particular, he told that Russian lawmakers have already held readings on Russian-Chinese ties. "Irrespective of political bias, we have decided that relations with great China are of top priority for us," he noted.

Rybkin: Relations With China 'Priority'

LD1605105694 Moscow ITAR-TASS in English 1028 GMT 16 May 94

[By ITAR-TASS correspondents Georgiy Arslanov and Vyacheslav Tomilin]

[Text] Beijing May 16 TASS—The Russian State Duma views China as a priority for both political and economic cooperation, according to Speaker Ivan Rybkin who added that Beijing should not be concerned by Russian plans to join the NATO "Partnership for Peace" programme.

"With all the contradicting views and political sympathies of Duma factions we have agreed that the Chinese direction in foreign policy and foreign trade is a priority", Rybkin told a press conference on Monday.

He added that trade turnover between the two countries went up by 30 per cent in 1993 and that Russia enjoys a three-billion dollar favourable balance in it.

During talks in Beijing the Russian delegation offered concrete cooperation projects which can be supported by the governments and parliaments, according to Rybkin. He stressed that Russia is proposing to China unique technologies which "are very important for solving the burning economic problems of China".

"Russia's joining 'Partnership for Peace' plan should not cause concern of the great eastern neighbour" as Russian armed forces would remain independent anyway. Russia wants to "preserve the originality of its army, both in armaments and the organisational structure. Thus we shall preserve the independence of the army which is not the last in the world", the speaker said.

Speaking about the health of Boris Yeltsin, Rybkin said that at his nearly 50 years of age he envies the fitness of the president who is 63. "He feels well, has a strong handshake, good logics and an intensive work schedule", the speaker added.

Chinese Official Views Trade Prospects

LD1605094994 Moscow ITAR-TASS in English 0934 GMT 16 May 94

[By ITAR-TASS correspondents Andrey Kirillov and Aleksandr Romanov]

[Text] Moscow May 16 ITAR-TASS—The year of "shuttle trading" between Russia and China is not yet over but its end is in sight, a Chinese Embassy official told ITAR-TASS.

The official, Ho Chushen, said the future belonged to major trade and industrial associations capable of ensuring high-quality deliveries. The Chinese diplomat said there was no ground behind allegations that China is implementing "expansionist plans" in Russia through its numerous individual traders. "We are striving exclusively for the development of trade and to our mind there is nothing bad about it," he said.

Trade between Russia and China amounted to 5.6 billion dollars in 1992 and rose to 7.68 billion dollars in 1993. This growth can be accounted for by the complementary character of the two countries' economy, Ho Chushen said. The Chinese leadership considers the Russian direction a priority one and China imposes practically no restrictions on export-import operations with Russian partners.

"The Russians are hardly likely to find a more capacious market for their goods than China," Ho Chushen said.

Chinese modifications of the Russian airliners and transport aircraft, the Il's, the Tu's and the yak's, are in high demand in present-day China, as are Kamaz trucks, Lada cars, steel and timber.

Russia is now delivering 12 power units for Chinese thermal power stations with a total capacity of 5.4 million kilowatt, worth 1.8 billion dollars. Work continues on designing and building a nuclear power station in northern China with Russian assistance, although some financial questions have yet to be resolved.

The Chinese diplomat said it was expedient for Russia to adopt a law on investments to stimulate the establishment of joint Russian- Chinese ventures, particularly in the production sphere.

Barter trade is being replaced with trade for hard currency, which both countries consider to be more promising. Last year it reached between 30 and 50 per cent of the total bilateral commodity exchange.

Although favourable tendencies prevail in the Russian-Chinese commercial relations on the whole, the volume of trade diminished by half in the first two months of this year as compared with the same period last year. According to Chinese specialists, this is partially due to the delay in the signing of the intergovernmental agreement on mandatory deliveries of goods, the growth of Russian customs duties and the expansion of licensing of export commodities. One of the main reasons for the reduction is a tougher approach to the issue of visas in both countries. There have been failures in the execution of contract obligations by both sides.

Ho Chushen thinks it necessary to involve banks and insurance companies in Sino-Russian trade relations to provide necessary guarantees of commercial operations.

China is concerned about the problem of ownership in Russia, where the Chinese, as well as other foreigners, are hard put to understand who owns what and who is responsible for what. In a broader context this question relates to the country's social and political stability.

China and Russia do not have open political contradictions, like those which complicate China's trade with Western countries. The main problems for the two

countries are transportation and finances. Another acute problem is security of railway haulage.

Russian Prime Minister Viktor Chernomyrdin's forthcoming visit to China this month and China's Chairman Jiang Zemin's visit to Russia scheduled for the third quarter of this year will undoubtedly facilitate the development of mutually beneficial trade and economic relations, Ho Chushen said. According to experts, the value of bilateral trade is likely to exceed 11 billion dollars by the end of the century.

Delegation Meets Chinese Leaders

LD1605110594 Moscow ITAR-TASS in English 1030 GMT 16 May 94

[By ITAR-TASS correspondents Grigoriy Arslanov and Vyacheslav Tomilin]

[Text] Beijing May 16 TASS—The respectable Grand Hotel in the very heart of the Chinese capital was for the past three days the residence of chairman of the State Duma [Ivan Rybkin], who is leading a Russian parliamentary delegation on its official visit to China. The delegation includes the leaders of many committees of the lower chamber of the Russian Federal Assembly. This enabled the delegation to discuss the most important aspects of Russian-Chinese with their counterparts in this country. [sentence as received] They met chairman Jiang Zemin, chief of the Chinese parliament Xiao Shi and other Chinese leaders. Both sides spoke out in favour of a consistent development of the Sino-Russian interaction along all lines including trade, economic, cultural, military and technical cooperation.

According to Jiang Zemin, friendly ties between the Chinese parliament and the Russian State Duma will surely play an important role in the further expansion of goodneighbourly relations.

The leader of the Russian delegation conveyed President Boris Yeltsin's greeting to the Chinese chairman and confirmed the invitation to visit Russia.

In briefing the Chinese leader on the parliamentary hearings concerning relations between the Russian Federation and the Chinese People's Republic he stressed that the Russian parliamentarians were convinced that relations between Russia and great China are a high priority for the Russian Federation.

Upon completing the Beijing part of the visit's programme, the delegation from the Russian State Duma left for Shanghai on Monday afternoon. In the country's largest industrial centre the Russian will look into reforms at state enterprises and study the experience of attracting foreign capital to major projects.

Commentary Views PRC Trip

OW1705095394 Moscow Radio Moscow in Mandarin 1000 GMT 16 May 94

["Short commentary" by station observer Mulatov; from the "Half an Hour With Wang Xiao" program]

[Text] Listener friends: A Russian parliamentary delegation, led by State Duma Speaker Ivan Rybkin, is continuing its visit to China. The Russian lawmakers met and held talks with their Chinese counterparts in Beijing. The delegation will also visit Shanghai and the Shenzhen Special Economic Zone. Here is a short commentary by station observer Mulatov:

The Russian parliamentary delegation's visit to China is yet another step toward expanding good-neighborly cooperation between the two countries. Actively strengthening contacts between the two parliaments is part of the constructive partnership between Russia and China. Foreign observers have noted that the parliamentary delegation's visit to China precedes the official visit by a delegation headed by Prime Minister Chernomyrdin. The Russian prime minister will visit China from 26-29 May. During the visit, some documents on expanding concrete areas of Russian-Chinese cooperation will be signed. A second Russia-China summit will be held later on, probably in late summer or early autumn. The first summit was held in December 1992, when President Yeltsin paid an official visit to China. This time, Chinese President Jiang Zemin will reciprocate the visit. Holding a second Russia-China summit will promote and raise to a new high the constructive partnership between Russia and China.

The development of Russian-Chinese relations on the basis of good-neighborly and wide-ranging cooperation has gradually become an important positive factor that has a bearing on the international situation, in the Asia-Pacific region, and in the world at large.

In conclusion, Station observer Mulatov says: To Russia, which is a large Eurasian country, its equality-based partnership with China is of great importance as is its new relationship with West Europe and the United States.

Editorial Urges Downplaying PRC Border Incidents

PM1605094194 Moscow IZVESTIYA in Russian 14 May 94 p 1

[Vladimir Skosyrev report: "Islands Dispute Could Lead to Moscow-Beijing Quarrel"]

[Text] Beijing—Russian Premier Viktor Chernomyrdin's trip to Beijing, scheduled for late May, crowns the "Russian spring" in the Celestial Empire, which has seen a series of visits from high-ranking guests from Moscow.

It started with Mikhail Kolesnikov, chief of the Army General Staff. He was followed to Beijing by State Duma

Chairman Ivan Rybkin, Deputy Premier Aleksandr Shokhin, and, finally, the premier himself. In the opinion of a number of Chinese observers, such a rapid expansion in mutual contacts shows that a "new old love" has bloomed again between Moscow and Beijing. Admittedly, the Beijing newspaper BEIJING QINNIAN RIBAO provided a more prosaic explanation for Moscow's intentions. It claims that, not having received the loans it was promised, Russia is disenchanted with its Western partners and is now banking on restoring its traditional ties with the East.

What do official Chinese circles think? A prominent Foreign Ministry official diplomatically replied that he saw no shifts in Russia's foreign policy. Talking about Russo-Chinese relations, he did not refer to love or even friendship, but talked about mutual interest—primarily in the sphere of economic cooperation.

Until this year trade between our countries had been rising rapidly. Then suddenly, in the first quarter of 1994, the volume of reciprocal shipments fell by 40 percent.

The leadership of Heilongjiang Province, which borders Russia, attributes the slump to the fact that Moscow introduced visa restrictions on Chinese "shuttles" and businessmen. But our trade experts believe that the roots of the crisis go deeper than that. The PRC authorities, striving to curb inflation, are currently holding back the growth of capital investment—particularly in construction. And this, in turn, has led to a fall in demand for some of our traditional exports—metals, timber, and machinery. Russian exports are becoming less competitive on the Chinese market as a result of rising prices for raw materials and transportation.

Relations between neighbors may also be complicated by differences about who owns what islands in the Amur and Argun Rivers. Judging by the statement from the head of the Khabarovsk Kray Administration printed in the Moscow newspaper SEGODNYA, five Chinese warships attempted to penetrate the border 40 km from Khabarovsk. Our border guards prevented this from happening. Weapons were not used.

But, according to information received by IZVESTIYA from Khabarovsk, there were no "five warships." The border guards merely recorded a violation of sailing regulations by a single Chinese cutter, and, according to them, such incidents often occur, but do not constitute military provocations. As the aforementioned PRC Foreign Ministry staffer put it, what occurred were "not clashes, but disputes."

Disputes arise because the 1991 border agreement states that sailing regulations along the Amur and Ussuri Rivers will be further elaborated. But they do not yet exist. The Chinese are insisting that their ships are entitled to sail down the main channel of the river—that is, between the center of Khabarovsk and Bolshoy Ussuriyskiy and Tarabarov Islands. But the Russian side is trying to prove that since the two islands, which are part of the city, are our territory, Chinese ships sailing through this stretch of the river are obliged to observe the regulations existing in Russia's internal waters.

Whatever happens, we should not whip up feelings over these incidents much less call for the denunciation of the 1991 agreement—as certain politicians in Khabarovsk are doing. The stability of our Far Eastern borders, which was achieved after long, hard negotiations with the PRC, is at stake.

Chinese Official Comments on Sino-Russian Trade

OW1705012094 Moscow Radio Moscow in Mandarin 1000 GMT 25 Apr 94

[From the "Half an Hour With Wang Xiao" program]

[Text] The value of trade between Russia and China reached $7.7 billion last year, an alltime high. Border trade accounted for almost half of the total amount. Heilongjiang Province is Russia's major Chinese trading partner. It is no accident that Heilongjiang ranks top in Sino-Russian trade because, of all China's northeast provinces, Heilongjiang shares the longest common border of over 3,000 km with Russia. Some 20 trading points along the border serve passenger and commodity transport. In addition to road and rail transport, there are direct shipping and air services between Russia and Heilongjiang. One characteristic marks Heilongjiang's trade with Russia, that is, Heilongjiang, taking advantage of its geographical position, serves as a trade intermediary between Russia and more developed provinces in east and southeast China. Therefore, the structure and nature of Heilongjiang's external trade reflect an overview of Russian-Chinese trade. Barter trade remains the main form of trade between Russia and Heilongjiang. Although both sides strive to diversify trade operations and to improve account settlement systems, barter trade still accounts for nearly two-thirds of the total trade volume. Both the export trade structure of Russia and China have undergone great changes. Russia has reduced the amount of raw material sold to China and increased industrial equipment, automobiles, and aviation technology exports. At present, machinery equipment exports account for 80 percent of Russian exports to China. China has also reduced exports of shoes and garments to Russia, and increased foodstuff supply. In recent years, border trade has shown an upward movement in terms of both quantity and quality. However, this year's prospects do not look good. Border trade was down by nearly half in the first quarter of this year from the same period last year. Was it just temporary or will the trend become a pattern? Heilongjiang's Vice Governor Wang Zongzhan analyzed the situation when interviewed by station reporter Mazhinkov.

[Beging Wang Zongzhan recording] We attach great importance to developing Sino-Russian border trade. Trade relationships between China and Russia have developed rapidly in recent years. The trade figures

between Heilongjiang and Russia in the last three years were as follows: The trade amount in 1991 was one billion Swiss francs; in 1992, two billion Swiss francs; and 1993, nearly 3 billion Swiss francs. Trade volume dropped sharply in the first quarter. The main reason was Russia's implementation of a visa system [words indistinct]. Complex procedures and lots of requirements to get a visa as well as low efficiency in visa issuance have dampened the enthusiasm of Chinese businessmen doing business in Russia [words indistinct]. We call on the Russian Government to adopt a policy of encouragement so as to facilitate [words indistinct] because the development of [word indistinct] is in accord with the interests of the two countries, and the two peoples. The development of Sino-Russian border trade in recent years has greatly contributed to the harmony, stability, and to the growth of the two countries' economies. Both sides need to work out preferential policies to solve such problems as the method of account settlement, prices, and tariffs. [end recording]

Chita Oblast, Manchuria Sign Rail Agreement

PM1705123194 Moscow ROSSIYSKIYE VESTI in Russian 17 May 94 p 2

[Gennadiy Gypylov report under the "News" rubric: "Yet Another Path Will Link Russia and China"]

[Text] Chita—A new interstate railroad will link Russia and China: 410 km of track will run from the city of Zabaykalsk to Irsha Station. A treaty has been signed by Chita Oblast Administration and the Manchurian Government. Both sides are very keen for tracklaying equipment to traverse the local steppes as quickly as possible. The point is that the existing "rail-link" is overloaded at this section, and at times up to 7,000 railcars accumulate on the border. Our foreign trade vector is shifting ever more toward the East, Aleksandr Dovgyallo, chief of the Transbaykal Railroad, believes.

Chinese Naval Warships Arrive on Official Visit

LD1705052594 Moscow ITAR-TASS in English 0424 GMT 17 May 94

[By ITAR-TASS correspondent Yuriy Grachev]

[Text] Vladivostok May 17—Three Chinese warships arrived for a friendly visit to the port of Vladivostok under the flag of the Chinese Northern Fleet Commander Vice Admiral Wan Jin.

The group comprises missile command ship "Zhuhai", another missile command ship "Huainan" and rescuer "Changxingdao".

At the approach to Vladivostok, the Chinese ships were met by three Pacific Fleet ships—the big anti-submarine ship "Admiral Vinogradov", the big anti-submarine ship "Petropavlovsk" and cruiser "Bystry".

A guard of honour was mustered on the pier. Pacific Fleet Acting Commander Vice Admiral Igor Khmelnov and Chinese Vice Admiral Wan Jin exchanged greetings and the two national anthems were played. Both sides expressed the hope that friendly ties between Russian and Chinese seamen will strengthen and develop and cooperation in the military field will continue thanks to mutual familiarisation with each other's achievements in military theory and technology, organisation of command of naval forces and means.

The Chinese sailors are touring the city's landmarks and memorial places. They will leave Vladivostok on May 20.

Meeting With Kazakhstan on Baykonur Postponed

LD1505153494 Moscow INTERFAX in English 1428 GMT 15 May 94

[Text] The Russian-Kazakh consultative meeting on the lending of the Baykonur launching site by Russia has been put off until at least May 26.

A high-ranking representative of the Russian Space Agency told Interfax that the expected talks between Russian Space Agency General Director Yuriy Koptev and Kazakh Vice Premier Galym Abilsiitov would take place within the scope of the meeting of the members to the Inter-State Space Council.

Currently, the treaty on the lending of the Baykonur space launching site and documents in addition to the agreement on Baykonur signed by Kazakh President Nursultan Nazarbayev and Russian President Boris Yeltsin in Moscow on March 28 are being worked out.

The same source said that intensive meetings on the issue would start after the Moscow agreement came into effect.

Experts will arrive in Moscow on May 18 in order to work out a joint program of cooperation in space research. The program is expected to be adopted by the Inter-State Space Council.

Russia Satisfied With Outcome of Georgia-Abkhazia Talks

LD1605195794 Tbilisi CONTACT INFORMATION AGENCY in Russian 1630 GMT 16 May 94

[Text] The Russian Government made a statement in which it expressed particular satisfaction that the opposing Georgian and Abkhaz sides signed in Moscow on 14 May an agreement on cease-fire and the separation of forces.

Russia is expressing confidence that the sides in conflict will steadily follow the responsibility undertaken by them. The breach of agreements—which had taken place before—should not happen again. Russia, for its part, realizes the responsibility entrusted to it and together

with the United Nations is ready to assist the achievement of a wide-scale settlement of the conflict and secure that fresh efforts for the restoration of peace in the region and mutual understanding follow the present agreement.

Russia To Send 3,000 Peacekeepers to Abkhazia

LD1705140094 Moscow ITAR-TASS in English 1330 GMT 17 May 94

[By ITAR-TASS correspondent Mikhail Shvetsov]

[Text] Moscow May 17 TASS—Russia plans to send 2,500-3,000 peace keepers to the area of the Georgian-Abkhazian conflict to implement the agreement on ceasefire and disengagement of forces in Abkhazia, which was signed on May 13, Russian Deputy Defence Minister Gyorgiy Kondratyev told journalists here on Tuesday.

The general participates in the talks between the defence ministers of Azerbaijan, Armenia and Nagorno-Karabakh in Moscow.

The draft document on dispatching of Russian peace keepers to Abkhazia was submitted to President Boris Yeltsin for approval.

The deputy defence minister noted that the peace-keeping force will be stationed in the security zone along the Inguri river as well as in the Galskiy district and the Kodorskoye Gorge to control the ceasefire and assist the return of refugees and displaced persons.

Kondratyev claimed that differences in the Georgian parliament will not interfere with the implementation of the agreement signed in Moscow. "Wisdom should subdue ambitions. The present situation in Georgia is less advantageous than that in Abkhazia. Therefore, its leadership should make some concessions," the general said.

According to the Moscow agreement, apart from disengagement of the sides along the Inguri river, the Georgian side is to withdraw its troops to places of their deployment outside Abkhazia from the Kodorskoye Gorge under the control of a peace-keeping force from the Commonwealth of Independent States (CIS) and U.N. observers.

At the same time, all voluntary detachments which arrived from outside Abkhazia, should be disbanded and withdrawn.

The sides requested the Council of the heads of CIS member states to take a decision on the use of collective peace keepers in the zone of the Georgian-Abkhazian conflict.

ITAR-TASS learnt at the press service of the Georgian Embassy in Moscow that it is highly probable that peace keepers will enter the conflict zone on June 1. The process of disengagement is to be completed no longer than within ten days from the time of its beginning.

Grachev Hopeful on Success of Karabakh Cease-Fire

LD1605223294 Moscow Radio Rossii Network in Russian 1800 GMT 16 May 94

[Text] There is again hope of settling the Karabakh conflict. On Monday talks were held between Armenia, Azerbaijan, and Nagorno-Karabakh with Russia's mediation. Marina Chernukha reports:

[Chernukha] Open talks were held at the Russian Defense Ministry. Pavel Grachev insisted on it, in order that, as he put it, journalists could decide for themselves who is interested in settling the conflict and who is not. Probably, this had an affect as the sides agreed on a cease-fire already from the night of 16-17 May. An interstate group of experts will be working in Moscow throughout this night so that on Tuesday the leaders of the delegations could sign a protocol on a cease-fire and on settling the conflict. After this, as Grachev reported, on 19 May the protocol will be handed over to the presidents of Armenia and Azerbaijan for coordination and to the Russian president for his approval. Taking into account that this is the third attempt to settle the conflict with Russia's mediation, many people expressed doubts regarding its success. What is needed for it?

After the talks we posed this question to Pavel Grachev:

[Begin Grachev recording] Desire has to come from both sides, not from the people, but from the leaders of both sides. I hope there will be peace. Evidently it is the people who will not allow fighting. Enough is enough. At this time, in such a part of the world...you understand that when something is not working out and after a truce fighting flares up afresh, then somebody has a wish for and profits from this fighting. But remember that those who issue commands regarding military actions, they never take part in a war, they won't even go to the frontline. They always issue commands from the rear. [end recording]

[Chernukha] Well, probably this time the politicians will act more carefully.

Foreign Ministry Official on Karabakh Cease-Fire

LD1705090094 Moscow ITAR-TASS World Service in Russian 0807 GMT 17 May 94

[By ITAR-TASS correspondents Andrey Palaria and Mikhail Shvetsov]

[Excerpts] Moscow, 17 May—"The problem of Nagorno-Karabakh is unlikely to be resolved if the leaders of the conflicting sides do not have the political will," a high-ranking Russian Foreign Ministry official told ITAR-TASS today. [passage omitted]

ITAR-TASS has learned that the talks between the Azerbaijani and Armenian defense ministers and the

commander of the Nagorno-Karabakh army of self-defense forces, which began on 16 May, were resumed at 1000 this morning at the Russian Defense Ministry.

Experts were instructed last night to finalize the final document on a cease-fire and disengagement of the sides as the first stage in the settlement of the Karabakh conflict and prepare it for signing.

However, according to reports from Stepanakert today, the Azerbaijani Army, despite yesterday's accord on a cease-fire effective 0000 on 17 May, fired mortars on Karabakh positions north of Mardakertskiy Rayon and on the Agdam-Askeran stretch.

ITAR-TASS has received no information on the situation in the conflict zone from Azerbaijani sources or on the reaction of the Azerbaijani leadership to yesterday's accord in Moscow.

Churkin Believes End to Bosnia Conflict Near

LD1605121394 Moscow ITAR-TASS World Service in Russian 1130 GMT 16 May 94

[By ITAR-TASS correspondent Aleksandr Kondrashov]

[Text] Belgrade, 16 May—Following my recent meeting with Bosnian Premier Silajdzic and today's conversation with President Milosevic, I now believe that representatives of the Bosnian sides should within the next few days be invited to sign an agreement on halting hostilities. Vitaliy Churkin, the Russian president's special envoy, who today held a meeting with the president of Serbia, told the ITAR-TASS correspondent this in an interview today. [passage omitted]

The Russian deputy prime minister [Vitaliy Churkin] said that the president of Serbia is in favor of submitting issues relating to the future structure of Bosnia and the territorial demarcation for consideration by the Bosnian Serbs themselves. Vitaliy Churkin is of the view that "they understand that what they are now being offered wholly corresponds to their interests, and that it is unrealistic for one of the Bosnian sides to demand more than half the territory for themselves. In general, he added, percentages are no longer a subject of negotiations. The percentages have been designated; now it remains to mark these percentages on the map, and the sides will be assisted in this by the international contact group."

The problem of disengaging the sides in Brcko was also discussed with President Milosevic, and, as I understand it, the Serbian side agrees to UN peacekeeping forces being deployed in this region, taking account of territorial particuliarities, Vitaliy Churkin announced.

Churkin Says Serbs Ready To Sign Agreement

LD1605202794 Moscow Russian Television Network in Russian 1920 GMT 16 May 94

[From the "Vesti" newscast]

[Text] Vitaliy Churkin, special envoy of the Russian president, has arrived in Belgrade on a very brief working visit. After meeting Serbian President Slobodan Milosevic, he shared his impressions with Russian journalists and gave an interview especially for "Vesti."

[Begin Churkin recording] I was sent to Belgrade and met President Milosevic to explain to the Serbian side the content of the document that was adopted on 13 May at the ministerial meeting in Geneva, which opens up a real opportunity for the completion of the political settlement of the crisis in Bosnia-Herzegovina in keeping with the interests of all sides, including those of the Bosnian Serbs, and, apart from anything else, which opens up real prospects for lifting the sanctions against Yugoslavia.

One practical result of my meeting with President Milosevic is that, as I was convinced, the Serbian side is ready to immediately sign an agreement on the cessation of hostile acts in Bosnia-Herzegovina. [end recording]

Kozyrev Says Serbs Ready To Negotiate

PM1605195594 Moscow ROSSIYSKIYE VESTI in Russian 17 May 94 p 1

[Pavel Vasilyev report under the "Trouble Spots" rubric: "Bosnians Offered 'Territorial Compromise'"]

[Text] The ministerial meeting on a settlement of the Bosnian crisis involving Russia, the United States, and five EU countries ended in Geneva last weekend. On returning to Moscow Russian Foreign Minister Andrey Kozyrev noted that conditions for a political settlement of the conflict in Bosnia had been created in Geneva and that the opposing sides had regarded the ministers' efforts with understanding.

"I must say that the response from both the Serb and Muslim leadership was pretty good," the Foreign Ministry head stated. "We were in contact with the prime minister of Bosnia and Herzegovina, Haris Silajdzic, during which time considerable scope for work on a settlement based on the adopted document emerged. I consider that signals of a readiness to embark on talks without preconditions are also forthcoming from the Serb side, which is very important."

Prospects for Bosnia Partition Plan Assessed

PM1605161794 Moscow IZVESTIYA in Russian 17 May 94 p 3

[Report by Maksim Yusin: "New Plan for Territorial Division of Bosnia: 51-49. Will Serbs and Muslims Accept Initiative by Russia, United States, and European Union?"]

[Text] The Geneva meeting of the foreign ministers of Russia, the United States, and five European Union [EU] countries at the end of last week enabled the "great powers" to overcome for the first time in a long time the

differences in their approaches to the Balkan crisis and come up with a joint initiative on the settlement on the conflict in Bosnia.

The Russian and West European diplomats' main achievement was the change in Washington's stance: Overcoming their original skepticism, the Americans accepted the initiative proposed by the EU and backed by Moscow on the division of Bosnia and Herzegovina. In accordance with it, 49 percent of the republic's territory will pass to the Serbs and 51 percent to the Muslims and Croats.

The most difficult question now is how to implement the plan. Both the Serbs and the Bosnian Government have their own views of the territorial rearrangement of the republic, and neither side is in a hurry to support the "51-49 option." The leaders of the Muslim-Croat federation are insisting on the transfer of 58 percent of the territory to them. As for the Serbs, at present they control more than 70 percent of Bosnia and, naturally, they do not have a burning desire to return the captured territory to their enemies.

Will Moscow, Washington, and the EU be able to make both sides consider their opinion? There will be no big problem with the Muslims and Croats, apparently. In claiming 58 percent of the teritory they were presumably well aware that this proposal would not be seriously considered either by the Serbs or by the international mediators. The Bosnian Government is following the classic rules of haggling: First name an unacceptable price, and then gradually lower it.

Unlike their enemies, the Serbs will have to make not imaginary but very real concessions and surrender more than 20 percent of the territory they control. According to the Geneva meeting participants' plan, the compensation for this would be the gradual lifting of the sanctions imposed on Yugoslavia. The question is: Will this compensation be sufficient from the Serbs' viewpoint. For Slobodan Milosevic and the other Belgrade leaders the prospect of emerging from isolation and averting the looming economic catastrophe is certainly attractive. But many Bosnian Serb leaders are radically inclined: Radovan Karadzic's latest pronouncements about the unacceptability of significant territorial concessions do not breed optimism.

The Geneva talks did not clear up what is perhaps the most delicate aspect: Will the "great powers'" diplomatic initiative be backed up by military arguments in the event of either side's refusing to implement it.

The United States, Russia, and the European Union evidently have yet to agree on the severity of their present and future joint actions. If they do not do so, the "51-49" option could be just an empty declaration, as has happened with innumerable peace plans put forward by the United Nations, the CSCE, and international mediators in the two years of the Bosnian war.

Committee Scores U.S. Senate Decision on Bosnia Embargo

LD1705131394 Moscow ITAR-TASS in English 1300 GMT 17 May 94

[By ITAR-TASS diplomatic correspondent Vladimir Taranov]

[Text] Moscow May 17 TASS—A statement of the Russian Federation Council's committee for international issues expressed concern over the U.S. Senate decision on unilateral lift of the embargo on arms delivery to Bosnia. The embargo introduced by the United Nations Security Council. [sentence as received]

In the opinion of the committee members, such unilateral measures may hamper successful implementation of the Russian-U.S.-European policy on Bosnia. The committee calls against the delivery of any arms to the conflicting sides and believes that suspension and further lift of sanctions against Yugoslavia as a result of Serb implementation of the peace plan would help the achievement of lasting peace in Bosnia and Herzegovina.

The committee stands for comprehensive development and consolidation of the Russian-U.S. relations proceeding from the fact that Russia and the United States carry special responsibility for peace and stability in international relations and could act as guarantors in settlement of the Bosnian conflict.

The soonest termination of combat operations in long-suffering Bosnia and Herzegovina corresponds to the interests of the international community, thinks the committee. Arms deliveries to the conflict zone will entail the deepening and expansion of the conflict.

The committee is ready for consultations and coordinated actions with the U.S. Senate in solution of the Bosnian problem, says the statement.

PRES Denies Russia Anti-Muslim

LD1605112694 Moscow ITAR-TASS in English 1110 GMT 16 May 94

[By ITAR-TASS correspondent Aleksandr Nechayev]

[Text] Moscow May 16 TASS—The Duma faction of the Party of Russian Unity and Accord (PRES) headed by Sergey Shakhray protested against attempts to depict Russia as an anti-Muslim country, which is being done by certain mass media in connection with its stand in the Bosnian crisis, and warned that such an image threatens Russian national interests.

"They want to clash us with Muslim states of the CIS, with traditional partners in the Arab world", according to a statement of the PRES distributed on Monday and which also called on the CIS countries to promote military-political consolidation in order to "rule out suspicions of anti-Muslim moods in Russia".

"There is an impression that somebody wants to transform the local Bosnian conflict into a global contrapposition of the Muslim and Orthodox civilisations", according to the document.

The PRES accused mass media of "deliberately ignoring" the fact that 15 million people in Russia are Muslims and warned that Muslim-Orthodox conflict in Bosnia "threatens to spread to the Russian territory".

The faction said that the Russian Foreign Ministry is also to blame for the current situation in Bosnia as it "hastily recognised the unitarian state of Bosnia-Herzegovina, supported the unilateral sanctions against Yugoslavia and then actually untied the hands of NATO for air strikes on Serbs".

Russia should initiate the lifting of UN sanctions against Yugoslavia and at the same time insist on imposing sanctions against Croats and Muslims if they sabotage peaceful talks, according to the document.

The PRES supported the proposal of the Russian president to convene a conference on Bosnia with the participation of Russia, the United States, the UN and the EU [European Union], demanded to stop recruiting mercenaries for the warring sides and called on mass media to objectively cover the Bosnian conflict.

Russian-Argentine Talks Raise Ties to 'New Level'

LD1605140594 Moscow ITAR-TASS in English 1343 GMT 16 May 94

[By ITAR-TASS diplomatic correspondent Konstantin Zhukovskiy]

[Text] Moscow May 16 TASS—Russia and Argentina initialed the agreement on the principles of relations between the two countries in Moscow on Monday.

The agreement was initialed by Russian Foreign Minister Andrey Kozyrev and his Argentinian counterpart Guido di Tella. They also signed a protocol on consultations and an agreement allowing the diplomats of the two countries to travel to and from Russia and Argentina without visas.

The signed documents are the basis and at the same time only the tip of the iceberg of cooperation between Russia and Argentina which are connected by long-standing historic ties, Kozyrev said.

Argentina is a U.N. Security Council member and its cooperation with Russia is not just of bilateral, but global importance, he added.

Additionally, Argentina is one of the key countries in Latin America and Russia is launching active work in this direction to expand and develop contacts with regional political and economic organisations, primarily the Organisation of American States. "Guido di Tella's visit to Moscow is a big event, a landmark not only in bilateral, but also Russian-Latin American relations," Kozyrev said.

The talks focused on a wide range of issues and were held in a business-like and friendly atmosphere.

The Argentinian minister said that the talks in Moscow have brought relations between the two countries to a new level and revealed the proximity in the positions of the two countries. This is a sign that Russia and Argentina are moving together to a new world order based on peace, cooperation and mutual respect, he said.

Kozyrev Stresses Cooperation With Argentina

LD1605161594 Moscow INTERFAX in English 1355 GMT 16 May 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy and others]

[Text] The development of cooperation with Argentina is a "very important element of Russia's relations with Latin America as a whole, said the head of Russian diplomacy, Andrey Kozyrev, after a meeting with the Argentinian Minister of Foreign Affairs and International Trade, Guido Di Tella.

As he said, relations between the two countries "entered the phase of close cooperation." "Considering Argentina's weight and influence in Latin America, cooperation with it is very important to us," Kozyrev said.

Upon conclusion of their talks the two men signed a protocol on consultations between their ministries and an intergovernmental agreement on visa-free travel for the holders of diplomatic and service passports; they also initialled a basic political document on the fundamentals of relations between the Russian Federation and Argentina. "The documents we signed are the basis and at the same time only the tip of the iceberg of our close cooperation," Kozyrev said.

According to him, relations between Moscow and Buenos Aires develop not only on bilateral foundations, but also on the "global level." "Argentina is a key state in Latin America, and at the moment we are engaged in active work on that continent, establishing cooperation with the Organization of American States and with regional economic structures," Kozyrev said.

As he said, Russia is interested in promoting interaction with Buenos Aires also in the framework of the U.N., since at present Argentina is a non-permanent member of the U.N. Security Council.

For his part Guido Di Tella pointed out that Argentina views Russia as a great world power. We closely follow what happens in Russia, and we believe that your reforms deserve great respect, he said.

According to him, the two countries' stands on many international issues approximate or coincide. When discussing the problems of world security and the future world structure, we speak in one language of cooperation and mutual respect, he concluded.

As the political adviser to the head of Russian diplomacy, Galina Sidorova, told journalists, during the talks with his Argentinian counterpart Kozyrev drew his attention to the incident involving the Russian fishing ship Orel detained by the Argentinian authorities since February, 1993.

"Our ship was detained on the pretext that it was engaged in fishing in the Argentinian economic zone. We view this pretext as far-fetched, and hope that an acceptable solution to this issue will be found after all," Sidorova said.

Argentine Foreign Minister Meets Duma Official

LD1705090994 Moscow ITAR-TASS in English 0853 GMT 17 May 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow May 17 TASS—The meeting on Tuesday between Mikhail Mityukov, deputy chairman of the State Duma, and Argentinean Foreign Minister Guido di Tella, who is on an official visit here, focused on prospects for Russian-Argentinean inter-parliamentary relations.

During the meeting, the two countries' domestic and foreign policies were also discussed.

Guido di Tella invited a group of Duma lawmakers to pay an official visit to Argentina next fall.

Foreign Ministry Favors Settlement of Haiti Crisis

LD1705133394 Moscow ITAR-TASS in English 1326 GMT 17 May 94

[By ITAR-TASS diplomatic correspondents Boris Krivoshey and Aleksandr Krylovich]

[Text] Moscow May 17 TASS—Russia favors the soonest settlement of the Haiti crisis on the basis of complete and unconditional fulfillment of U.N. Security Council resolutions and the return of overthrown president Jean-Bertrand Aristide to the country, head of the Russian Foreign Ministry's information and press department Grigoriy Karasin told a briefing here today.

In his words, Russia is concerned over the military junta's proclamation of a member of the Haiti Supreme Court temporary president in evasion of constitutional procedures.

"The recent illicit action of the Haiti regime testifies to its unwillingness to listen to the insistent appeals of the international community for restoration of Haiti democratic institutes. It will make more complicated the uneasy achievement of political settlement in Haiti," stressed the Russian diplomat.

India Regarded 'Most Valuable Partner' in Arms Trade

LD1605131394 Moscow ITAR-TASS World Service in Russian 0710 GMT 16 May 94

[By ITAR-TASS correspondent Aleksey Kuznetsov]

[Text] Delhi, 16 May—"I regard India as Russia's most valuable partner in arms trade," Viktor Samoylov, director general of Rosvooruzheniye, the state company for exports and imports of arms and military hardware, said in an ITAR-TASS interview. Today he arrived on a working visit in India to take part in talks with the leadership of the republic's Defense Ministry and the commanders in chief of the Army, the Air Force, and the Navy.

The schedule of his week-long stay also includes visits to the wharfs in Bombay and Goa, where patrol combat ships are being built for the Indian Navy with Russian assistance. He is to assess in detail the progress in implementing a number of programs connected with production under licence in India. The head of the state company also intends, in his own words, to contribute to "speeding up the Indian sides' proposals concerning the purchase of special equipment in Russia."

India is an attractive trade partner for us for many reasons, V. Samoylov said. We have been cooperating for a long time, and the Indian side "has always paid its bills and has often placed major orders in Russia, expressing interest not only in ready-made products but also in new technologies. Our partnership is equal and mutually beneficial. The main indicator of our relations is stability, which allows the Russian Federation industrial complex to feel serious support."

Russia To Help Train Palestinian Police in Gaza

LD1605162494 Moscow INTERFAX in English 1355 GMT 16 May 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy and others]

[Text] Russia will give the Palestinians aid in equipping and, partially, training their policemen stationed in the Gaza Strip and in the city of Jericho. "We are resolving these issues in practical terms," a senior member of Russia's Foreign Ministry, Viktor Gogitidze, told Interfax.

The decision to give aid to the Palestinian police was taken in principle during the recent meeting between President Boris Yeltsin and the PLO leader, Yasir 'Arafat, in Moscow, he noted. "This concerns the granting of

light firearms and some other types of equipment. Each of these types is to be endorsed by the Israelis," he explained.

When the Israelis and the Palestinians signed their Gaza-Jericho first agreement in Cairo, the coordinating committee for giving aid to the Palestinian police force, Russia is a member of, held a session. "We studied everything done in terms of giving aid to the Palestinian police force, and considered what else they need," he said.

According to Gogitidze, despite the difficulties the Palestinian police and security forces are ready to take the greater part of functions connected with maintaining law and order in Gaza and Jericho upon themselves. "This is particularly important because under agreements the withdrawal of Israeli troops and the process of transferring power from the civilian and military administration to the Palestinian structures in Gaza and Jericho should be concluded before the end of May," he said.

As Interfax's interviewee noted, "the process of Middle East settlement will depend largely on how the Israeli-Palestinian talks on the West Bank, that is on the autonomy as such, will proceed." "Gaza and Jericho will be the sample under which the further spread of autonomy in the West Bank will be built. The problem of settlements and the issues of jurisdiction, particularly territorial, are the most complicated, he said. These talks should necessarily be resumed, since the agreement on Gaza and Jericho is good, but it is insufficient and too isolated."

Talks in the other directions, such as Israeli-Syrian, got stalemated, the diplomat conceded. "On the whole the situation is favorable for breaking the impasse. As far as we can judge, the Israelis realize that Syria is a key country in the Middle East. Movement forward in the entire peace process is unthinkable without progress in the Syrian direction, he said. The Syrians also realize that the situation is changing for the better. Everything hinges on the circumstance that they expect the Israelis to make a clear statement as to their willingness to comply with Resolution No. 242 issued by the U.N. security Council, that is withdraw from the Golan Heights altogether."

Afghanistan Releases 2 Russian POW's

LD1605183194 Moscow ITAR-TASS World Service in Russian 1734 GMT 16 May 94

[By ITAR-TASS special correspondent]

[Text] Islamabad, 16 May—Two Russian prisoners, Aleksey Olenin and Yuriy Stepanov, captured during the war in Afghanistan, have found freedom. They were brought to Pakistan and handed over today to the visiting Russian delegation led by Anatoliy Adamishin, Russian first deputy foreign minister.

Evacuation of Russian Citizens From Yemen Completed

LD1505151494 Moscow Radiostantsiya Ekho Moskvy in Russian 1100 GMT 15 May 94

[Text] Russia is completing the evacuation of its citizens from Yemen. The last plane carrying 84 people arrived in Moscow today. Our radio station has learned that no more than 15 Russians are left in Yemen now.

Shumeyko on Russian-South African Cooperation

LD1705123694 Moscow ITAR-TASS in English 1145 GMT 17 May 94

[By BUSINESS-TASS correspondent Robert Serebrennikov]

[Text] Moscow May 17 TASS—According to Vladimir Shumeyko, chairman of the Federation Council (Russian parliament's upper house), "most serious" sentiments prevail inside South-African business community, which favour further development of trade and economic relations with Russia.

He came to the conclusion after a meeting with leading South-African businessmen in Cape Town. The two parties exchanged views on prospects for building up mutually beneficial bilateral relations. Shumeyko led a Russian delegation invited to attend the inauguration of the new South-African President Nelson Mandela in Pretoria.

South-African businessmen displayed interest in broadening trade and economic relations with Russia, Shumeyko said in an interview with ITAR-TASS. There is a lot of fields for developing bilateral cooperation. Let us take, for instance, mining industry: Both Russia and South Africa extract gold, diamonds and rare-earth metals.

South Africa has a well-developed processing and packing industries. Bilateral cooperation in military field has good prospects, too, Shumeyko emphasized.

Political & Social Issues

Shakhray Resigns as Deputy Prime Minister

LD1705091594 Moscow ITAR-TASS World Service in Russian 0900 GMT 17 May 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow, 17 May—Sergey Shakhray announced today that he will resign from the post of deputy chairman of the government of the Russian Federation.

At a news conference in Russian Foreign Ministry's press center, he read out a message he has sent to the president of the Russian Federation and to the head of the government.

In the document, Sergey Shakhray asked that he be released from his post of deputy chairman of the government "in connection with the appointment of a new minister of nationalities and regional policy even without taking into formal account the opinion of the deputy prime minister in charge of these problems"

Sergey Shakhray said his resignation "does not mean he is leaving to join the opposition to the president and the government and does not signify any insult."

Appointed to Council for Cadre Policy

PM1605101594 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 94 First Edition p 1

[Unattributed report: "Official"]

[Text] With a view to boosting the effectiveness of the Russian Federation [RF] Presidential Council for Cadre Policy, by edict of the RF president the following words are to be added to Point 3 Paragraph 3 of RF presidential edict No. 848 of 3 June 1993 "On Immediate Measures To Organize the System of State Service in the RF" (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA POSSIYSKOY FEDERATSII, 1993, No. 23, p 2108) after the word "includes": "the RF minister for nationalities' affairs and regional policy."

S.M. Shakhray, RF minister for nationalities' affairs and regional policy, is included in the membership of the RF Presidential Council for Cadre Policy.

By RF Government directive, RF Education Minister Yevgeniy Viktorovich Tkachenko and Vladimir Georgiyevich Kinelev, chairman of the RF State Committee for Higher Education, have been appointed official RF Government representatives during the Federal Assembly chambers' consideration of the draft RF Law "On the Federal Program for the Development of Education in Russia."

Shakhray Predicts New Bloodshed in August

LD1705115594 Moscow ITAR-TASS in English 1144 GMT 17 May 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow May 17 TASS—Russian Deputy Prime Minister Sergey Shakhray predicted on Tuesday that a new major stand off between authorities, worse that the one which took place last October, is in store for Russia in August if urgent measures are not taken to improve the economic situation.

Last October at least 140 people were killed in Moscow during the armed opposition revolt.

"If the problem of mutual indebtedness of enterprises is not urgently solved the government will not survive. It is possible that in August head of the government Viktor Chernomyrdin will have to offer resignation on his own initiative to save the situation", Shakhray told a press conference.

The resignation, according to Shakhray, will be preceeded in July by mass protests among workers of defence enterprises.

Attempts to appoint a new prime minister will trigger a stand off between the lower chamber and the president and "scenarios of dissolving the State Duma" will appear. As a result the other chamber, the Federation Council, will move to opposition to Boris Yeltsin, he said.

"And finally the last October situation may repeat, but in a worse variant", Shakhray said and added that "this is the worst scenario, but it is quite possible if the mentioned measures are not taken".

Besides the problem of mutual indebtedness, the measures include the necessity to make all those parties which signed the civic accord treaty to work for reforms. The president and the government should act as an arbiter in pursuing the economic and political interests of Russia. They have to initiate a dialogue with representatives of the fuel and energy industry, the military-industrial complex, with agrarians and bankers in order to solve the problem of indebtedness and to change the taxation and banking system, Shakhray said.

Among possible successors to Chernomyrdin he sees Moscow Mayor Yuriy Luzhkov, First Deputy Premier Oleg Soskovets, and former Security Council Chairman Yuriy Skokov.

Yeltsin Edicts on New Staff at Procurator General's Office

LD1405105394 Moscow ITAR-TASS World Service in Russian 0923 GMT 14 May 94

[Text] Moscow, 14 May (ITAR-TASS)—Russian President Boris Yeltsin has issued a number of edicts on personnel changes in the leadership of the Russian procurator general's office.

According to an announcement from the Russian president's press service, Vildan Uzbekov has been appointed first deputy procurator general. Oleg Gaydanov and Mikhail Slavgorodskiy have been appointed deputy procurators general.

Valentin Panichev has been made a Russian deputy procurator general and head of the main administration for supervision over enforcement of the laws in the Armed Forces (main military procurator).

President Boris Yeltsin has relieved Eduard Denisov, Ivan Zemlyanushin, and Vladimir Kravtsev of their duties as Russian deputy procurators general in connection with their transfer to other work.

Yeltsin Aide: Economic Stabilization Has Begun

LD1705085194 Moscow ITAR-TASS in English 0819 GMT 17 May 94

[By BUSINESS-TASS correspondent Oleg Deyneko]

[Text] Moscow May 17 TASS—Industrial production slump in Russia in the past month amounted to 50 percent of the 1991 level. The Russian economy has hit the bottom line, and must now stabilise and improve, according to the Russian president's analytical centre chief Yevgeniy Yasin.

Yasin told journalists at a press conference here that he expected a u-turn from the end of 1994 when the slump will have reached 20-25 percent of the 1993 level. "The situation will stabilise then," Yasin predicted.

"This is much better than a lesser slump for a longer period, including 1995 and 1996," Yasin assured the journalists. He also said the government has scored several successes in combatting inflation. As of May 10, the inflation rate was registered at 2- 2.5 percent and it is unlikely to exceed the level by the end of the month.

More, the presidential analyst said the first signs of stabilisation are already evident, almost a year ahead of the deadline provided for in the program adopted by the Russian Government on August 6,1993.

Yeltsin Edict on Tyva Territories

LD1605211094 Moscow ITAR-TASS World Service in Russian 1521 GMT 16 May 94

[Text] Moscow, 16 May (ITAR-TASS)—The press service of the president of the Russian Federation reports that today President Boris Yeltsin has by his edict ordered territories in two rayons to be regarded as rayons of the Far North, and the territories of 14 rayons and the town of Kyzyl of the Republic of Tyva to be regarded as localities that are on the same footing as Far North rayons. This is because of the combination of extreme environmental and climatic conditions and social and economic conditions in which the population of the Republic of Tyva live.

Gaydar on Revamping Russia's Choice Bloc, Backing Yeltsin

LD1605170794 Moscow ITAR-TASS in English 1640 GMT 16 May 94

[by ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow May 16 TASS—President Boris Yeltsin will be the strongest candidate in the upcoming presidential elections, State Duma deputy Yegor Gaydar said.

Speaking before an audience of students and scholars at the Moscow State University on Monday, Gaydar said his Russia's Choice bloc will support Yeltsin.

He said the elections will not be easy, but Yeltsin has the best chances of all democratic candidates. Gaydar stressed that lawmakers must join their efforts in order to stop local conflicts and ward off the danger of communist revenge.

To this end, the bloc will be reorganised into a party with fixed membership. Draft charter and programme of the new party are already ready. The founding congress will be held in Moscow on June 12-13.

Gaydar believes that Russian business people may count on a certain place in the political arena only if they team up with intellectuals.

Speaking about privatisation, Gaydar described it as a "task which has no optimum solution, only a more or less acceptable. We have to make not an ideal, but possible decision."

Rutskoy Sets Tone at Opposition Rally

PM1605141594 Moscow IZVESTIYA in Russian 14 May 94 p 2

[Arkadiy Zheludkov report: "On the War Path. Soiree for Yesterday's DEN or Today's ZAVTRA"]

[Text] The soiree for the spiritual opposition newspaper ZAVTRA in the weight-lifting room at the Izmaylovo sports complex, which was filled to bursting, resembled least of all a quiet celebration of yesterday's DEN; it was more like the rally by the supporters of resolute action to restore Soviet power that began 9 May, involving virtually the same people, the same demands, and the same confidence in the future.

The soiree's leaders ascended the weight-lifting podium with confident stride: At the head came Aleksandr Rutskoy, like a standard bearer, with everyone else behind. Rutskoy was the first to speak after the soiree's master of ceremonies, Aleksandr Prokhanov. The former vice president's speech was not very reminiscent of his first meeting with a national-patriotic audience, in the Rossiya movie theater—the former pilot did not have his usual sheet of paper, and there were none of the usual prompters to tell him the correct pronunciation of the names of Russian philosophical theoreticians. To quote the state's former number two, the first thing that troubled Aleksandr Rutskoy was the reason for the gathering. Forgetting that he was just the first act in a preplanned spectacle, the general asked his audience and comrades in arms: "What brings us together?" Lust for power or the desire to live a worthy life? However, Aleksandr Rutskoy soon made it clear that he was only reiterating ideas voiced 9 May and that the purpose of the gathering was to prepare everything to celebrate the 50th anniversary of the victory in time for 9 May 1995 and the personal victory over "Yeltsin's and Kozyrev's mongrel policy."

Then came Ilya Konstantinov's recollections of his impressions after reading a book by Victor Hugo; Aleksandr Prokhanov's repeated assurances that all the people gathered here were free agents (the soiree did indeed begin at 1830 hours and, judging by the mood of the audience, no one was in a hurry to go home). Aleksandr Prokhanov, who usually complains about the dominance of the democratic press, suddenly bragged that the opposition has around 100 newspapers countrywide and said that he still remembers a dark corridor at "Ostankino," two candles, and then the office of General Achalov, who told all the "mass media" forthwith: "We want peace, but let them return their plunder." And he also asked for the Soviet armed forces' reputation to be restored.

The undoubted highlight of the evening was Nevzorov, who described the "charming agrarians" now in the Duma who "wear the same suit throughout their working life," and how Burbulis behaves when he sits next to him at meetings, and finally made the optimistic promise that "everything will be restored" shortly.

The most touching moment of the evening was when Aleksandr Nevzorov was given some flowers: A boy sent by some adult ran up onto the weight-lifting podium and over to the soiree presidium rostrum and spent a long time wondering to whom to give the bouquet. "Whose boy is this?" Aleksandr Prokhanov asked over the microphone and affectionately beckoned the boy over. The kid took a long time to leave the stage, amid the friendly laughter of the free agents in the room. Albert Makashov went up to the microphone right after the boy and was introduced by Aleksandr Prokhanov with a riddle: "Who ran through the White House on foot in a black beret like a wolf from the first to the 13th floor?" Gen. Makashov angrily asked God to clear the country of prostitutes and the mafia, or else he and his comrades would do it themselves "if you do not have the time, God"; he also promised to hand over his shoulder boards to anyone who would unite them [sentence as published]. It was probably for the special benefit of those people gathered at Izmaylovo that evening who thought about uniting all the readers of Prokhanov's newspaper in the future and obtaining Gen. Makashov's shoulder boards that the following books were sold in the foyer: "Mein Kampf," Zyuganov's memoirs, and a political biography of Rutskoy, alongside cassettes of ponderous German Army marches.

"All Russia is in the mire"—that was the beginning of a poem by General Titov, the most peaceable of all the generals at the soiree. "I must live in peace and harmony," Mikhail Georgiyevich continued, and gave the following reason: "I belong to the heroic generation that stopped fascism." And he asked the free agents to consider Prokhanov the people's editor of what is indeed a people's newspaper and Boris Yeltsin as Russia's first and last president, stipulating however for the press that he personally favors the peaceful way of resolving the problem.

A soiree that should have demonstrated the unity of the whole opposition nonetheless left observers with plenty of questions: General Sterligov, Vladimir Zhirinovskiy, Viktor Aksyuchits's Christian Democrats, Vasilyev's "Pamyat," Astafyev's Christian Democrats, and many others did not want to subscribe to Russia's unity. And Aleksandr Rutskoy himself, as a representative of his party courteously told your IZVESTIYA correspondent, was the only official delegate from the Free Russia People's Party. So Gen. Makashov can rest easy over his shoulder boards.

'Legality' of Opposition Leaders' 9 May Remarks Questioned

PM1605085394 Moscow IZVESTIYA in Russian 14 May 94 p 1

[INTERFAX report: "Prosecutor's Office To Check Legality of Opposition Leaders' Speeches"]

[Text] The Russian General Prosecutor's Office has instructed Moscow Prosecutor Gennadiy Ponomarev to investigate illegal actions which took place in the capital 9 May 1994 during a rally in Lubyanka Square.

INTERFAX was told at the General Prosecutor's Office that G. Ponomarev has been instructed to carry out an investigation and make the appropriate legal assessment of the case of the public burning of the Russian Federation state flag, of the calls from the rally speakers for a struggle to "destroy the existing regime," of the abusive attacks on top state officials, and of the anti-Semitic slogans and banners.

The rally in Lubyanka Square was organized by a number of opposition parties and movements. In particular, it was addressed by former Russian Vice President Aleksandr Rutskoy and National Salvation Front leader

Ilya Konstantinov, who both spent around six months in jail on the charge of organizing the mass riots in Moscow 3-4 October 1993. In his speech Rutskoy called for the 50th anniversary of the victory over fascism in 1995 to be marked by a "victory over this antipeople regime."

A statement from the General Prosecutor's Office notes that the Prosecutor's Office is attentively following the development of the situation and warning that "full use will be made of the powers granted it under the law to put a stop to unconstitutional actions by both individuals and associations of citizens aimed at destabilizing the situation in society."

Gorbachev Seen Having 'No Chances' in Presidential Vote

LD1605124794 Moscow ITAR-TASS in English 1225 GMT 16 May 94

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow May 16 TASS—Former Soviet President Mikhail Gorbachev has no chances to become the Russian president as people do not support him, according to an influential lawmaker.

"Statements by Mikhail Gorbachev about his possible participation in presidential elections in 1996 are completely groundless. He has no social basis", Viktor Mironov, deputy chairman of the Duma Committee on Security told TASS on Monday.

"With all my respect to the former Soviet president, I believe he has exhausted his resources of a head of state", he added.

Zhirinovskiy Promises To Save Russia, Sack City Bosses

LD1505202794 Moscow ITAR-TASS in English 1952 GMT 15 May 94

[By ITAR-TASS correspondent Nelli Grigoryan]

[Text] Yaroslavl May 15 TASS—Russian nationalist leader Vladimir Zhirinovskiy promised on Sunday to solve all economic, social and criminal problems facing Russia, provided the would-be victory of his Liberal Democratic Party (LDPR) enables him to form a one-party cabinet.

Speaking to residents of the ancient Russian city of Yaroslavl in the overcrowded hall of local cultural centre at what he called a regional conference of the LDPR, Zhirinovskiy reiterated that only his party is capable of leading Russia of the crisis [sentence as received]. He criticised severely Communists and Liberals, called them "weak teams" but said all disputes should be solved peacefully, through elections.

In the field of economy, Zhirinovskiy said, his party advocates a combination of socialism and capitalism. He called to impose a tax maximum at the rate of 40 per cent, to curb the conversion of defence industries, and to halt ruining the state sector in industry and agriculture.

Zhirinovskiy did not support the idea of restoring the Soviet Union but said that if the former Soviet republics have to pay their debts in full, they will volunteer to rejoin Russia themselves.

Paying tribute to his usual eccentricity, Zhirinovskiy promised to sack the local authorities for inadequate treatment. The Yaroslavl administration decided against red-carpet reception of the notorious politician limiting its services to providing premises for his performance and ensuring his security.

International Congress of Christian Democrats Opens

LD1405145094 Moscow ITAR-TASS in English 1156 GMT 14 May 94

[By ITAR-TASS correspondent Nataliya Cherepanova]

[Text] St. Petersburg May 14 TASS—"Our main objective is to pool the efforts of Christian Democrats of the world in combatting the nuclear danger," Vice President of the International Christian Democrats Andre Louis said in his message of greetings to participants in the fourth international congress "Christian Democracy Today" which opened here today.

According to the vice president, North Korea's reluctance to join the nonproliferation movement is one such danger. The Christian Democratic International has always aimed and continues to aim to make the treaty on the renunciation of possession, testing and use of nuclear weapons in definite and encourage as many countries as possible to join it.

The congress, which is being attended by delegates from 18 countries of Europe, Asia and Africa, will discuss, during its three days of work, problems of dialogue between different denominations of Christianity, Buddhism and Islam, plans for the expansion of activity of Christian Democrats in African and Commonwealth countries and specify the conceptual framework for the development of the organisation after the disintegration of the socialist camp in Eastern Europe.

Yeltsin Representatives End Visit to N. Ossetia, Ingushetia

LD1505132894 Moscow ITAR-TASS World Service in Russian 1140 GMT 15 May 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 15 May—Direct contacts and talks between the peoples of North Ossetia and Ingushetia themselves could become a principle factor stabilizing the situation in the area under the emergency situation. This is what Shmidt Dzoblayev and Oleg Novikov, members of the Russian president's public chamber told

an ITAR-TASS correspondent today after their visit to the area under the emergency situation in North Ossetia and Ingushetia.

The members of the public chamber under the Russian president and heads of the two republics agreed on cooperating more closely to settle the conflict between Ossetia and Ingushetia. In particular, Shmidt Dzoblayev, who is general secretary of the Assembly of Democratic Forces of the Northern Caucasus, proposed holding a conference of ethnic leaders in the region in the immediate future to reconcile the "brothers" [krovniki]. This would create the conditions necessary for the ethnic Ingush and the peoples of North Ossetia to be able to live together in the future.

Government Moves To Ease Northern Supplies Crisis

PM1305192594 Moscow ROSSIYSKIYE VESTI in Russian 14 May 94 p 1

[Article by Sergey Shakhray, deputy chairman of Russian Government, under the "Politics" rubric: "Northerly Inhabitants Must Be Helped in Summer, Not in Winter"]

[Text] The disruption of economic ties in parts of the Far North and equivalent territories, the sharp reduction in the volumes of extraction of raw materials, including oil, and the growth in transport tariffs have jeopardized the provision of the region's population with vitally important products. Thus, to date, compared with the 1993 level, 45 percent of the foodstuffs, consumer goods, and petroleum products have been shipped in and just 8 percent of the contracts concluded for technical industrial output. As of 1 May, 765,000 tonnes of freight had accumulated in sea and river ports, although by May last year this figure had reached 2 million tonnes. There is virtually no freight in Far Eastern ports that is earmarked for delivery to the North. The dramatic nature of the situation is indicated, for example, by the fact that goods are brought into a number of internal regions of the northern territories along rivers on which navigation begins in May and continues for several weeks. At the same time it should not be forgotten that many of the northerners' needs are met in full by means of deliveries. Whereas in the eighties they were funded through the credit system, this is impossible now.

Resolving the problem, the government has adopted a decree altering the mechanism of state financial support and shipping of output and goods into northern regions. The Federal Fund for State Funding of Shipping of Products and Commodities is being created as a result of this. It is being formed out of state budget funds, which will essentially be the North's annually indexed working capital. A special operational commission is being set up, which should, in my view, be endowed with extraordinary powers. We frequently say that Russia will grow by means of the North, but the inhabitants must be given active assistance now, so that they do not again encounter the dramatic situation in which they found themselves last winter.

New Land Code Gives Fresh Impetus to Land Reform

LD1705103594 Moscow ITAR-TASS in English 0958 GMT 17 May 94

[By ITAR-TASS correspondent Aleksey Filatov]

[Text] Moscow May 17 TASS—"The land code will give a fresh impetus to the land reform in Russia," Nikolay Komov, chairman of the Russian Committee for Land Resources and Land Management, told ITAR-TASS after the draft's discussion by the Presidium of the Russian Government.

Asked why this code was necessary, Komov mentioned four principal reasons: Firstly, the number of parties to land relations has lately increased sharply, reaching 60 million families. This process is continuing due to the extensive development of entrepreneurship, private housing construction, increasing number of private farms, development of horticulture, vegetable-growing, and subsidiary farming. Secondly, new rights to own land have appeared, as well as new legal grounds on which citizens and legal persons can obtain land and effect transactions with it. Thirdly, one now has to pay for the right to acquire land and to use it. And, fourthly, the redistribution of land (land circulation) has become much faster. A land market has appeared.

Komov said that the draft land code includes 21 chapters. They reflect the main directions of Russia's land policy, the right to own land and other rights, the competence of state bodies and local self-government organs in land matters, the legal and economic mechanism for dealing with them, the status of agricultural, forest, urban, specially protected and other lands. Important attention is given to the protection of the priceless land wealth, land management, state land evaluation and registration of the right to own land plots, and to transactions with them.

Komov particularly noted that the document includes for the first time a chapter on "land transactions", laying down clearly the procedures for concluding deals with land plots and land shares, obtained during the reorganisation of collective and state farms. The proclaimed rights of citizens and legal persons are still not legislatively regulated even now that Russia is switching over to a market economy. There is no mechanism or procedure for obtaining land (for money or free of charge), or for renting it on a termless basis. An owner cannot mortgage his land, cannot use is as a contribution to some fixed capital, cannot present it as a gift or to exchange it. It is practically impossible to dispose of a land share at one's own discretion, because it is granted only for farming purposes. There is also no procedure for buying out land needed by the state or the municipal authorities. Today, it is even impossible to replenish the

land redistribution fund for carrying out many state programmes or to confiscate land from lazy owners and to transfer or sell it to efficient farmers.

In addition to legally guaranteeing the rights of citizens and juridical persons to freely own, use and dispose of their land in their own interests, the draft code also contains some restrictions on land deals, preventing latifundism in Russia.

Komov also noted that legal norms for the land around large apartment houses have been fixed for the first time. These land plots, within the established limits, may be owned jointly by the dwellers (in the form of condominiums).

The proposed draft land code, Komov believes, allows to eliminate the blank spots in the existing legislation and to place land relationships on a solid economic basis. It reflects the novelty and complexity of the land situation in Russia. At the same time, the document is understandable and convenient not only for specialists, but for all the citizens of the country.

After discussing the draft, the Presidium of the Russian Government instructed corresponding bodies to make the necessary amendments in it and to submit the document to the State Duma for approval.

Pamfilova Invited To Head Newly Formed Social Policy Body

MK1405122094 Moscow SEGODNYA in Russian 14 May 94 p 1

[Unattributed report: "A Social Policy Council Will Be Established"]

[Text] According to information from reliable sources, a decision has effectively been made to create a Social Policy Council within the Russian Federation presidential administration, the leadership of which has been offered to Ella Pamfilova, former [social welfare] minister and currently a State Duma deputy.

Figures, Analysis of Emigration from Russia 1991-93

LD1505214694 Moscow Ostankino Television First Channel Network in Russian 2000 GMT 15 May 94

[Report over video by correspondent Marina Deykun; from the "Novosti" newscast]

[Text] [Announcer Sergey Shatunov] According to Israeli immigration services, between 200,000 and 500,000 former residents of Russia and CIS countries will move to the Promised Land before the end of the millennium. Our correspondent continues on the same theme.

[Deykun] Starting from 1922, foreign exile became a form of punishment for crimes in the USSR. It looks as if now emigration is becoming a punishment for the state itself. Its present wave, the fourth one according to specialist, is economic emigration. According to the Labor Ministry figures, some 100,000 people leave Russia every year. Most are skilled workers, qualified specialists, and artists. The most alarming feature is the brain drain from theoretical science and the defense complex. After all, Western economies now accept only highly qualified migrants. Another alarming feature is that one migrant in three takes a child with him/her. This trend is on the increase against the backdrop of an already adverse demographic situation.

Where then do former Russian citizens move to? Mostly, to Germany. In the past three years more than one half of emigre's from this country have settled there. The United States is pursuing a more cautious immigration policy. Between 1991 and 1993, some 40,000 Russian nationals settled there. Emigration to the Promised Land has dropped sharply—probably because, according to Israeli sociologists, only eight percent of emigrants from the CIS managed to integrate completely into society.

Studies conducted in this country show that eight percent of Russian nationals do not rule out the possibility of leaving for good. They are mostly town-dwellers, male, aged between 25 and 29, graduates. In the past three years, according to official figures alone, 300,000 former Russian citizens have bidden farewell to their homeland. That amounts to the entire population of a city the size of Penza. [video shows street scenes, people at the airport]

Economic Issues

Industrial Output Slump Reaches 25.5 Percent

LD1605122694 Moscow Radio Rossii Network in Russian 1100 GMT 16 May 94

[Text] The State Statistics Committee reports that the rate of industrial slump in Russia reached almost 25.5 percent during January-April. This sets a record for the entire period of reform in the country. The biggest decline occurred in sectors connected with the chemical and petrochemical industries, light industry, and engineering. The fall in production was between 35 and 45 percent in those sectors.

Russia's gross domestic product during the first four months of this year fell as a whole by 17 percent, compared with the corresponding period last year.

Further on Industrial Decline Rate

LD1605123694 Moscow INTERFAX in English 1433 GMT 16 May 94

[Text] According to the National Statistics Committee, in January- April the rates of decline in Russian industry made up 25.4 pct - a record index since the start of reforms in the country.

In the first quarter of this year the rates of decline were less than 25 pct as compared with the same period last year.

In April average daily industrial production fell by 3.3 pct against its March level.

The greatest decrease in the volume of production was noted in the industries requiring investment and in consumer-goods production. For instance, as compared with the fuel and energy industry, where the volume of production in the past 4 months fell by 11 pct, in the food industry it decreased by 21 pct, in machinebuilding by 45 pct, in chemistry and petrochemistry by 35 pct, and in the consumer-goods industry by 39 pct.

In January-April oil extraction made up 99.3 million tons - 15 pct less than in the same period last year; gas extraction made up 217 billion cubic meters - 1 pct less.

The output of tractors fell by four-fifths against the same period last year; the output of cars went down by 28 pct and that of trucks by 66 pct.

High rates of decline were noted in the production of TV sets (31 pct), in the production of washing machines (45 pct) and in the production of other kinds of household equipment. The demand for such products fell because of high prices and low - as compared with the foreign-made analogues - quality.

According to the National Statistics Committee, in the first four months of this year Russia's Gross National Product decreased by 17 pct against the same period last year, and made up 142 trillion rubles.

Official statistics also note greater number of plants and factories where production was suspended for a long time. In January there were 3800 such plants, and over 5000 in April.

Rise in Inflation Under 10 Percent in April

LD1605100894 Moscow Russian Television Network in Russian 0400 GMT 16 May 94

[From the "Vesti" newscast]

[Text] The rise in the rate of inflation was under 10 perce[illegible] April.

According to a report on the state of the Russian economy prepared by experts from the Economics Ministry, in the first quarter of 1994 Russia's industrial output fell more sharply than ever. The number of loss-making enterprises more than doubled over the period and amounted to 18.6 per cent of all industrial enterprises by the end of March.

Another trend recorded in the first quarter was more promising. According to the RosBusiness Consulting agency, release prices in Moscow fell for the first time in April. Inflation expectations also fell for the first time.

Unemployment Problem 'Not Yet Acute'

PM1605085994 Moscow ROSSIYSKIYE VESTI in Russian 13 May 94 p 1

[Yuriy Rytov report under the "Social View" rubric: "Emergency Measures Being Taken To Localize Unemployment"]

[Text] The destinies of ordinary people once again occupy a priority place on the scale of the government's moral values. So, how do things stand now with unemployment?

According to Russian Federation State Committee for Statistics figures, 1,363,600 citizens are registered in Russia as not employed in labor activity. This includes 1,083,000 unemployed. But that is still not the whole story. There is so-called hidden unemployment, on a scale estimated by experts at 5 million people. It involves, inter alia, working people on unpaid leave or on a reduced work regime.

As we can see, the figures are striking. Yet they give rise to serious doubts.

First question. Does the employment sphere take account of the number of persons "shuttling" among the regions of Russia and to neighboring countries and countries further afield? Experts estimate that these people account for one-third of the country's trade turnover. So, do they work or do they not? They work, and how! But they most likely feature in statistical data as being temporarily out of work.

Second question. How are we to categorize persons engaged in so-called street trading? For example, in addition to grandmothers drawing their pensions we meet a lot of prosperous young people trading in vodka and cigarettes at every subway station in the capital.

Third question. According to State Employment Service information there are vacancies across the country for 289,400 people. Why are they not being filled?

In short, the problem of unemployment in our country is not yet acute. It could become so, however, if mass bankruptcies should begin among enterprises. Here tribute must be paid to the Cabinet of Ministers, which has finally learned to act promptly.

On 3 May 1994 the Russian Federation Government adopted the decree "On Measures To Ensure the Population's Employment in the Event of Critical Situations Arising in the Labor Market in Particular Areas of the Russian Federation."

What provision does this document make? Above all it provides for expert appraisal of the financial state of enterprises which dismiss workers en masse. If there is no special need for this to happen, the personnel cutback is suspended or else carried out in stages.

The planned measures conflict with the tough law "On the Insolvency (Bankruptcy) of Enterprises." The government has therefore suggested that all interested ministries and departments submit proposals for amending and supplementing this law.

I expect such amendments to be received in good time and to be approved in the legislature.

Exports Continue Rising, Imports Falling

LD1605123994 Moscow INTERFAX in English 1433 GMT 16 May 94

[Text] Russia's trade turnover with countries outside former Soviet territory from January to April amounted to 18.1 billion dollars, having gone down by 5.2 pct, according to the State Committee for Statistics.

While exports rose by 6 pct, imports fell by 23 pct, the positive balance consequently increasing to 6.9 billion dlrs, as compared to 4.5 billion a year ago, the committee said.

Exports of crude oil reached 26.8 million tonnes, or 9 pct up on the same period last year, those of natural gas 38 billion cubic meters (15 pct up), those of oil products 9.5 million tonnes (14 pct up), those of mineral fertilizers 3.6 million tonnes (11 pct up), and those of pig iron 828,000 tonnes (61 pct up). At the same time exports of machinery and equipment dropped by 23 pct.

In the first four months of 1994, Russia exported to countries in the Commonwealth of Independent States 8.7 million tonnes of oil, or half as much as in the same period in 1993, and 26.3 billion cubic meters of natural gas, or 3 percent down.

Russia imported from January to April 417,000 tonnes of grain, or one-tenth of the amount of the first four months of last year, half as much meat, and two-thirds as much white sugar, though imports of meat, poultry, tea, butter and furniture went up, the committee said.

Decline Continues in Agro-Industrial Complex

LD1605153994 Moscow ITAR-TASS in English 1414 GMT 16 May 94

[By BUSINESS-TASS correspondent Oleg Deyneko]

[Text] Moscow May 16 TASS—Production decline continues in the Russian agroindustrial complex. In the first quarter of the year the production of major agricultural products dropped by 18 per cent over the same period last year, the Ministry of Economics told BUSINESS-TASS on Monday.

At the same time, the Ministry said that the acreage of farmland sowed with crops has increased dramatically this year.

As of the beginning of April, farms had 660,000 tonnes of diesel fuel and 313,000 tones of gasoline (52 and 61 per cent of the last year level respectively). About 300,000 tractors, or 32 per cent of the total, are out of order.

The processing of sugar beat was practically completed in the first quarter of the year. A total of 108,000 tonnes of sugar was produced, a 26,000 tonne decrease since last year. Russian sugar refineries produced 235,000 tonnes, or 60 per cent of the last year level, of sugar from imported raw sugar. One more million raw sugar was purchased in Cuba.

Meat production decreased by 25 per cent over the same period, sausages by two per cent, butter by 67 per cent, milk products by 83 per cent. The production of cheese increased by 104 per cent.

The production of flour dropped by 16 per cent from four million at the end of 1993 to 3.2 million tonnes, cereals by 35 per cent, reaching 298,000 tonnes.

All Enterprises in Key Timber Area Begin Long Strike

LD1405051594 Moscow ITAR-TASS in English 0503 GMT 14 May 94

[By ITAR-TASS correspondent Yuriy Grachev]

[Text] Chuguyevka, Maritime Territory May 14—All industrial enterprises in the maritime territory's main timber-producing areas—Chuguyevka—went on a warning strike from Saturday morning until May 25. The main demand of the strikers is that they be paid overdue wages for several months.

Oil Production Down in 1st Quarter by Nearly 16 Percent

LD1605093594 Moscow Radio Moscow World Service in English 2010 GMT 15 May 94

[Text] Oil production has gone down here in Russia by close to 16 percent as compared to the first four months of last year. The January through April output amounted to 98.4 million tonnes. Primary refining went down by 14.9 percent and the output of gasoline by 12 percent to 8.8 million tonnes, but oil exports to countries outside the Commonwealth increased by 7.9 percent to reach 28 million tonnes.

There was 12 percent less coal extracted and 1.5 percent less of natural gas, but 2.6 percent more gas was exported to the West.

Bank Starts Redeeming 1993 State Foreign Currency Bonds

PM1705090994 Moscow IZVESTIYA in Russian 17 May 94 p 1

[Ivan Zhagel report: "$8 Billion Frozen by Soviet Authorities Starting To Be Returned to Russian Enterprises"]

[Excerpts] IZVESTIYA has been told by Mikhail Fedorov, chief of the Vneshekonombank [Bank for Foreign Economic Activity] Domestic Hard-Currency Debt Servicing Administration, that as of 14 May—or, in practice, owing to the weekend, as of 16 May—the 1993 state foreign currency bonds have started to be redeemed and to have interest paid on them. [passage omitted]

According to M. Fedorov, the total value of the first tranche of bonds is $266 million. Moreover, another $250 million will be paid out in the form of interest on all five bond issues. Under the terms of the placing of these securities, the period for presentation of the bonds for repayment is set at 10 years—in other words, until 2005. So those who are unable to obtain their money immediately after 16 May will be able to do so in the next few days—there is plenty of time.

Naturally, bond-holders will be trying to redeem the bonds and gain their interest in the first few days. Here a question arises—will they not be hampered by all kinds of technical shortcomings? But, M. Fedorov assured us, the Vneshekonombank has already received from the government all the foreign exchange required and has transferred it to its 23 authorized banks, with branches throughout the country. There should be no problem in redeeming the foreign currency bonds.

Nonetheless, it should be borne in mind that the first tranche of bonds are held by only a few lucky people. They were mainly placed with commercial banks, joint ventures, and charitable foundations. State enterprises—or what had until recently been state enterprises—as a rule received the fourth and fifth tranches of foreign currency bonds. And they may simply not survive until redemption—in other words, they could go bankrupt.

Admittedly, an aftermarket in state foreign currency bonds is already taking shape. And those enterprises which need the money immediately—for restructuring, say, or to pay their debts—can sell their securities. But, naturally, for far less than they are worth.

Thus, according to specialist assessments, the second tranche of the securities currently stand at 62 percent of par in the aftermarket, the third tranche is trading at 42 percent, the fourth tranche at 31 percent, and, finally, the fifth tranche is trading at 26 percent of its par value. Of course, many enterprises see this as robbery—and not by those purchasing the bonds, but by the state.

Nonetheless, to be fair, it should be said that the blame for this hardly lies with the current Russian Government. It is paying up for other people's debts, even though it has assumed them itself. Moreover, the fact that under the current complex conditions the government has clearly honored its obligations under the first tranche of the foreign currency bonds even as regards the payment of interest will undoubtedly strengthen confidence in other state securities and have a positive affect on the financial situation as a whole.

Incidentally, many specialists were forecasting on the eve of the scheduled payments that the bond redemptions could destabilize the foreign exchange market and lead to an uneven fall in the ruble. But, as is not hard to calculate, all of the first tranche together with the interest on all the other tranches comes to around $500 million. This is not such a big sum—it is comparable to the size of just a week's trading on the Moscow Interbank Foreign Exchange Market.

Late Apr-Early May Inflation Analyzed

PM1605131194 Moscow ROSSIYSKAYA GAZETA in Russian 12 Apr 94 First Edition p 3

[Feature comprising unattributed report "based on data from the Russian Federation Government Economic Conditions Center," plus editorial commentary: "26 April-4 May: The Week's Prices. A Market Is a Market"]

[Text] According to the latest data from the weekly monitoring of prices by state statistics organs, the overall inflation index for the past week stood at 102.2 percent, and at 160 percent for the period since the beginning of the year. Prices of food products rose by 1.9 percent, and prices of other products by 2.3 percent; the price of paid public services rose by 3.8 percent.

The largest price increases for basic consumer goods and paid services—5.7 percent—were recorded in the Ural region, where the largest increases in Russia were recorded for nonfood goods—6 percent—and paid services: 36 percent.

At the beginning of May the prices of basic food products were 1.1 percent up on the end of April in organized trade and 5.4 percent up in nonorganized trade. The largest increases were for products sold in the city markets, where fruit prices increased by 10.8 percent in the week, prices of groats and pasta by 7.6 percent, vegetable prices by 5.6 percent, and prices of meat products by 5.1 percent. In all regions prices during the holidays and the days leading up to them rose most of all for meat products—by 4-6 percent—and also fruit and vegetables—by 4-14 percent, mainly as a result of increases in the city and informal markets. Only prices of vegetable oil and vodka remained unchanged, in both the stores and the markets.

The average cost of a basket of the 19 most important products on 4 May was 48,500 rubles [R], a 60-percent increase in the period since the beginning of the year. The cost of this basket at organized trade prices was R46,500, and at market prices R59,700.

The lowest cost of the basket was again recorded in the Volga region—R38,200. The "dearest" region for the cost of the basket remains the Far East region—R83,000.

Among the list of nonfood goods, fuel prices continued to increase at an accelerated rate—more than 10 percent in the course of the week. Among other goods the most

notable price increases were for nitroglycerine (4.5 percent), wallpaper once again (3.7 percent), and matches (3.2 percent). Prices of tobacco products were virtually unchanged.

The largest price increases were in the Ural region—6 percent. This change in the average prices in the region over the week was the result of increases of more than 10 percent on fuel, and also children's clothing and footwear.

There remains a significant gap between the minimum and the maximum prices of identical goods in different Russian cities. Thus during the whole of April and at the beginning of May the difference in prices of analgin [type of painkiller] was 1,200 percent and of cotton fabrics around 500 percent.

Our Commentary

Readers are anxious to know what products make up the basket of 19 goods. Obviously this is no idle question; it is prompted by a desire to know what average prices the analysis is based upon, and whether the basket corresponds to people's real needs.

We publish the list of average prices for 4 May. The prices, as you can see, are very close to the real ones. In Moscow (which is the 34th most expensive city), at least, prices of some products—particularly granulated sugar (R560-R580), eggs (R650-R1,000), and raw materials (from R4,800)—were even a little lower.

As for the nutritional norm, let us once again stipulate: This list, in the form in which it is published, can in no way be considered a biological norm recommended by medics. This indicator is taken by economists in order to trace the change in the inflation level in the country. And although it initially contains a sensible starting point for the nutrition of a healthy male, nevertheless, you won't be able to determine whether the state statisticians' approaches to assessing our economic situation are right just by the simple addition of the figures. This is demonstrated by the round figures for weight: It appears that in the course of a month an adult consumes a total of exactly one kilogram, and smokes one packet of filter cigarettes. This is nonsense. So here is the list—but do not be hasty with your conclusions.

1. Beef, per kg	R3,036
2. Smoked sausage, per kg	R4,723
3. Lightly smoked sausage, per kg	R6,444
4. Butter, per kg	R4,064
5. Vegetable oil, per kg	R1,719
6. Milk, per liter	R507
7. Sour cream, per kg	R2,648
8. Cheese (hard varieties), per kg	R6,259
9. Eggs, per 10	R1,097
10. Granulated sugar, per kg	R755
11. Rye-and-wheat bread, per kg	R360
12. Wheat bread (1st & 2d grades)	R528
13. Millet, per kg	R458
14. Vermicelli, per kg	R993
15. Potatoes, per kg	R352
16. Cabbage, per kg	R1,020
17. Onions, per kg	R1,764
18. Apples, per kg	R1,451
19. Filter cigarettes, per pack	R473

Military & Nuclear Issues

Pacific Fleet Commander Fired Following Ammunition Disaster

[By ITAR-TASS]

[Text] Vladivostok May 17—The commander of the Russian Pacific Fleet, Admiral Georgiy Gurinov has been released of the post, informed sources told ITAR-TASS. Vice-Admiral Igor Khmelnov is now acting commander of the fleet.

Observers say Admiral Gurinov's sacking is due to a sharp drop in the fleet's combat capability. At a recent press conference in Moscow, Defence Minister Pavel Grachev said the Pacific fleet ranks last in the Russian armed forces as regards its degree of battle capability and the command of the fleet needs reshuffling.

Observers also point out that Admiral Gurinov was not personally involved in the clean-up operation after the May 14 blast at the fleet's ammunition dump in Nezhino. He was also notably absent from the welcoming ceremony for the Chinese warships which arrived for a visit to Vladivostok on Tuesday.

According to official information, the admiral is feeling unwell.

Fire at Aviation Depots Extinguished

LD1505083494 Moscow ITAR-TASS in English 0728 GMT 15 May 94

[By ITAR-TASS correspondent Leonid Vinogradov]

[Text] Vladivostok May 15 TASS—The fire which broke out at aviation depots of the Pacific Fleet has been extinguished. According to reports which came from the area of emergency, the rain helped fire-fighting brigades and teams of the military put out the flames.

Reports which came to ITAR-TASS from unofficial sources say that the explosion was caused by a spark on the territory of the depot.

A decision was adopted to return people who had been evacuated from the settlements of Novonezhino, Smolyaninovo, Romanovka, which were in the greatest danger, back to their residential places. The size of the damage caused by the fire is being specified. No casualties were reported.

An investigation into the accident has begun.

Defense Minister Postpones Visit to N. Caucasus

LD1605154194 Moscow INTERFAX in English 1327 GMT 16 May 94

[Text] Russian Defense Minister Pavel Grachev has put off a visit to the North Caucasian military district because of preparations for a formal visit to NATO headquarters in Brussels, Defense Ministry officials told Interfax.

Grachev is to go on a two-day visit to Brussels on May 23 to clarify Moscow's position on the Partnership for Peace program and outline Russia's new defense doctrine.

Grachev was scheduled to go on a two-day tour of the North Caucasian military district on Tuesday.

Soskovets: 'New High Tech' Excluded From Military Exports

LD1605135494 Moscow ITAR-TASS in English 1311 GMT 16 May 94

[By ITAR-TASS correspondents Alfred Artamonov, Oleg Velichko]

[Text] Izhevsk May 16 TASS—"The state will fulfill its commitments to the defence industry," said First Vice-Premier Oleg Soskovets during his visit to the "Izhmash" plant today. "After the budget is endorsed, in the near future this might become a reality," he said.

According to Soskovets, the state intends to boost the development of more advanced technologies for the armed forces and advocate a liberal approach to the realisation of military exports. Soskovets pointed out that exporting weapons, the government will take into account political interests of the state, and the liberalisation of exports will be beneficial for manufacturers.

Soskovets pointed out that the government will offer defence enterprises an opportunity to independently work for exports. "However, the state does not intend to sell a number of military hardware constructed on the basis of absolutely new high tech, which affects the country's defence," Soskovets said.

Army Urges President To Set Up Professional Military Police

LD1405201794 Moscow ITAR-TASS World Service in Russian 1034 GMT 14 May 94

[By ITAR-TASS correspondent Roman Zadunayskiy]

[Summary] Moscow, 14 May—Russia's Chief Military Procuracy [CMP] intends to ask the presidential administration to speed up the creation of a military police in Russia's Armed Forces. The necessary documents have already been submitted.

It was noted at a recent working conference of the CMP that crime has risen sharply in the forces—2,572 people were killed and 1,002 received injuries in the armed forces in 1993; while 2,868 weapons were stolen in the same period. The existing preliminary investigation bodies, consisting of unit commanders and locally appointed officers, are considered inadequate. Last year the number of crimes concealed for various reasons by these non-professional bodies rose by a factor of 2.2 compared to 1992.

Soldiers' Mothers Protest Peacetime Deaths in Army

LD1605114194 Moscow ITAR-TASS in English 1105 GMT 16 May 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow May 16 TASS—A many-day action of protest against peace-time deaths in the Army, initiated by activists of the "Russia's Mothers of Soldiers" movement, began in downtown Moscow on Monday. The movement demands investigation into the cases of murder in the Army, cancellation of the universal military service, and adoption of a law on the status of soldiers' mothers, Lyubov Lymar, leader of the movement, told ITAR-TASS.

She believes the state should help the families which have lost the breadwinners. The state should guarantee insurance and other benefits for the parents and underage children of the servicemen who died in peace time, she said.

Lymar said that if the demands were not met, the movement activists would picket the office of the procurator-general, headquarters of the Federal Assembly, the government and the Defence Ministry.

The activists are planning to meet representatives of the office of the Russian procurator-general on Monday and State Duma Chairman Ivan Rybkin on May 21. On Sunday, the activists met Moscow Mayor Yuriy Luzhkov who promised help in rendering assistance in Moscow to the parents and families who lost sons in the Army.

During the three years of its activities, the movement has held more than ten protest actions, including a two-week hunger strike, pickets of government offices, a march of

protest along Moscow's streets. During one of the actions, the activists collected more than 50 thousand signatures in support of the movement. Representatives from the Russian Union for Social Protection of Servicemen, the Public Association of Servicemen, the Church of the God's Mother participated in some of the movement's actions.

Combat Potential of Missile Forces Set at 900-1,000 by 2003

LD1605202294 Moscow Mayak Radio Network in Russian 1830 GMT 16 May 94

[Text] About 20,000 rocket troops are at their duty stations around the clock. Military journalists were informed of this by Colonel-General Stanislav Kachumasov, the chief of the main headquarters of the Russian Strategic Missile Forces. This is done to maintain the combat potential of rocket troops at the required level. According to Colonel-General Kachumasov, by the year 2003 this potential is defined at 900-1,000 launchers.

Space Flights To Be Launched From Svobodnyy-18 Town

OW1605084794 Moscow Russian Television and Dubl Networks in Russian 0604 GMT 11 May 94

[Vladimir Voropayev report over video; from the "Dalniy Vostok" program]

[Text] Mikhail Kolesnikov, chief of the General Staff of the Russian Federation Armed Forces stated last Wednesday that, Russia was ready to launch the first spaceship from the missile complex located in Svobodnyy-18 town, Amursk Oblast in 1996; and would carry out manned flights in the future. A spokesman of the military space forces of the Ministry of Defense told an INTERFAX correspondent that the decision to create a new Russian space port in Amur Oblast would probably not be adopted until the end of this year. Experts believe that the launch of the first Far East spaceship, scheduled for 1996, is quite feasible, but this is only a blueprint. Today, the only work conducted in Svobodnyy-18 is aimed at maintaining the town's infrastructure and keeping the missile complex's existing technical equipment in shape. [Video shows shots of streets, buildings in Svobodnyy-18 town]

Nuclear Fuel Reprocessing at 'Pre-Revolutionary' Standard

PM1605162794 Moscow NTV in Russian 1500 GMT 25 Apr 94

[From the "Today" newscast: Announcer-read report over video of the Northern Fleet's nuclear waste dump at Guba Andreyeva]

[Text] [Tatyana Mitkova over buildings, submarines in snowy bay] This is the Northern Fleet's temporary storage facility for radioactive waste at Guba Andreyeva. TV journalists from Moscow were not admitted. The explanation: "It is just an ordinary nuclear waste dump of which there are quite a few in Russia." Yet its main danger lies precisely in its ordinariness. Especially since people here avoid even mentioning the "Andreyevka." But all secrets come out eventually, and so....

Instead of the statutory 300 people supposed to ensure the burial of spent nuclear fuel rods, only 100 work here. They are all military men, but they include a lot of unskilled people. Elementary protective clothing is in short supply. Officers are letting sailors have their suits. There is not even a suggestion of safety equipment. Heroic feats are accomplished here if not daily, then once every three months. This is the interval at which the freight—spent fuel rods from reactors of nuclear submarines—is delivered.

According to an officer who works at "Andreyevka" the method of unloading them corresponds to the pre-revolutionary level of metal processing. An officer lies on his back to monitor the position of the reactor roof [kryshka reactora]. If it shifts even by a millimeter, he shouts "Stop!" Should he make a mistake, a thermal explosion would occur, i.e. a situation similar to Chernobyl.

Regional Affairs

Yerin Visits Krasnodar; Crime Carries On 'As Usual'

PM1605115394 Moscow SELSKAYA ZHIZN in Russian 13 May 94 p 3

[Yuliy Semenenko "Pertinent Remarks": "Who Is My Militia Protecting?"]

[Text] Krasnodar Kray—The people of the Kuban will recall seeing in early March an abundance of people in militia uniform, and also civilians, who had been drilled to precision. They filled the streets, squares, and highways of the kray center and environs. "Some VIP's have come, evidently," the shrewdest onlookers decided, glancing around apprehensively.

The ordinary people of Kransodar were clairvoyant. In fact, Internal Affairs Minister V.F. Yerin had flown into the kray to attend a session of the kray administration collegium to discuss the crime situation, which has become critical. Our big chiefs are automatically kept away from the people, given the kid glove treatment. Because the people are a multitudinous mass, there is no need to be particularly protective toward them. If someone is killed or goes missing he will immmediately be replaced by several law-abiding or not very law-abiding citizens. At least, that was the case before the reforms, when Russia's women, without shirking and without delving into politics, would unfailingly keep the population topped up.

Now they are clearly falling down on the job. Are they on strike, perhaps, or are they too politicized? The more we democratize, in fact, the more noticeably thin our ranks become. Well, what of it? Some people would say there are too many people in the country anyway. So they fire pistols, submachineguns, and tank guns at the people and at their elected representatives. They have crack units on the ready, so that the people know their place. While their leaders, not fearing and not made to feel awkward by the "common folk," confidently drove wherever they needed to go—toward the yawning heights of capitalism.

So it is probably no accident that Viktor Fedorovich paid such keen attention to the actions of "Cobra"—a crack subunit of the special purpose militia detachment—during his visit to the kray. And there was certainly something to see. These Russian equivalents of the U.S. supermen were expertly restraining and blocking the "mob" and stopping the "toublemakers" operating.

On this occasion the special militia was showing off its combat training in a demonstration exercise. The guys acted in the proper manner—swiftly, vigorously, resolutely, without a moment's hesitation. So they would not let anyone down in future incidents. The minister liked the militia subunits' combat equipment, although the fact that the kray does not have a mounted militia is in his view a major deficiency.

Anyway, while the bosses were inspecting their subordinates and having their meeting, life went on as usual in the Kuban. The criminals, who, despite the constant swelling of the law enforcement ranks, still outnumber the militia and who were ignorant of Mr. Yerin's visit, carried on their business as usual—robbing, killing, raping, thieving, stealing cars. Yet another remarkable fact now from the life of your coprrespondent. At the very moment when Yerin arrived in our crime-infested kray, the head of a Krasnodar organization which leases rooms to various offices, including the firm for which the aforesaid journalist's wife works, was visited by two racketeers with a business proposal—without causing a fuss and without needlessly bothering the militia (we have our people working in the militia, they said) he must come up with 6 million by such and such a day, or else...

The boss was somewhat flabbergasted and tried to show that, in the first place, he did not have that kind of money, because he lived on his modest pay, and second, he was already paying a regular amount through the proper channels, and he gave the name of a specific representative of the "Kuban business world." No dice! The uninvited guests were insistent. Where it will all end no one knows....

To round off, I would like to borrow the words of the poet, paraphrase them somewhat, and ask the question: "Who is my militia protecting?"

Krasnodar Voters Want To Directly Elect Administration Head

PM1605124094 Moscow SOVETSKAYA ROSSIYA in Russian 14 May 94 p 3

[Svetlana Shipunova report: "Kuban Without Power"]

[Text] Krasnodar—The Kuban is one of the few regions in Russia where the new representative power has still not been elected. The election date has been set three times and has been postponed three times—the last time until 20 November 1994. The majority of the kray's political forces have come out sharply against this, including the "Otechestvo" patriotic movement with the biggest mass appeal here, the All-Kuban Cossack Host, and the kray organization of the Liberal Democratic Party of Russia. Moreover, "Otechestvo's" Coordinating Council has even brought a court action against Kray Administration Head N. Yegorov for violating citizens' constitutional electoral rights.

This situation has now been exacerbated by a new development. It was learned right after the May holidays that Nikolay Yegorov had been appointed a Russian Federation minister (it has not yet been divulged what his functions will be in the government). According to unofficial data, V. Gladskoy, first deputy head of the kray administration, has categorically refused to take up this post and is still merely acting governor.

Thus, the Kuban is at present without both legislative power and executive power in the person of a legitimate administration head. Yu. Skokov, previously the leader of a major Krasnodar Kray enterprise; V. Samoylenko, the present mayor of the city of Krasnodar; and some others are being named here among the possible candidates for this post.

It is not, however, a question of which of them the president will choose and whom he will appoint in his edict, already for the third time, to rule the Kuban. Public opinion is unequivocally inclined to hold an election of the administration head. The Kuban deputies in the State Duma have sent a letter to B. Yeltsin and V. Chernomyrdin demanding the holding of simultaneous elections of the kray administration head, the kray legislative assembly, and the organs of local self-management no later than September (in other words right after the end of the cereal grain harvest). Today the same demand is being advanced by the Cossacks and a number of the kray's political and public organizations. As for the population, it advocated elections in a referendum as long ago as 25 April last year.

If the country's leaders do not heed public opinion this time either, the political situation in the kray might be sharply exacerbated by the beginning of summer.

Commission Reports Breaches of Constitution in Mordovia

LD1605130194 Moscow Radio Rossii Network in Russian 1100 GMT 16 May 94

[Text] The Russian Constitution is being contravened in Mordovia. That is the finding of a special commission formed by the Russian president, which investigated whether laws and legal enactments adopted in the republic conform to the Constitution. According to our Saransk correspondent, Nikolay Vechkayev, the commission found among other things that the Mordovian parliament's decision to abolish the republican constitutional court was a breach of the constitution. It also ruled that the Mordovian Government had no right to carry out the [Mordovian] Supreme Soviet's decision to provide the heads of urban and district administrations with powers to call local elections on their own initiative. This is the responsibility of the republic's supreme body of power.

'More Than 200' Illegal Residents Netted in Maritime Kray

PM1605141194 Moscow IZVESTIYA in Russian 14 May 94 p 2

[Natalya Ostrovskaya report: "Catching Illegals from Abroad in Maritime Kray"]

[Text] Vladivostok—In just two days of the operation code-named "Foreigner" in Maritime Kray, more than 200 violators of passport and visa regulations have been apprehended from China, Korea, Mongolia, and nearby foreign countries—the former Union republics.

Some 48 of them (mainly Chinese) had absolutely no reason to be in our country. Consequently, they were swiftly put on buses and sent to the Maritime Kray settlement of Pogranichnyy. From there the indisciplined foreigners were expelled by rail, in a reserved car. The Maritime Kray militia reported that the expulsion went quietly and professionally.

Operation "Foreigner" will continue until 20 May. Apart from Vladivostok, the hunt for violators of passport and visa regulations will be carried out in Ussuriysk, Nakhodka, and in border settlements through which tourists, Chinese "traders" [chelnochniki], and other foreign guests enter the kray and, from there, other parts of the country.

Violators of passport regulations are not always quietly expelled. In the first two days of the operation six criminal cases have been brought against foreigners. The charge for all of them is the same—[Article] No. 196 (forgery, and the sale and use of deliberately forged documents). As a rule, the document in question will be a Soviet passport. Just how simply and openly these forgeries are carried out is shown by the case of a certain Choe Ko-un, a DPRK citizen. He traveled to Vladivostok and rented an apartment in the city center, but under the name of Andrey Vyacheslavovich Khodykin rather than Choe Ko-un. He explained at the investigation that he had acquired our hammer-and-sickle passport in Ussuriysk from some strangers, paying 200,000 rubles for it. It seems that it is not just the Russian ruble that is being devalued.... What prospect does Choe Ko-un face? If he is lucky, a year's imprisonment; if not, two years.

Operation "Foreigner" is extensively under way on several fronts. Hotels, hostels, and private apartments rented by foreign guests are being raided. Conferences are being held with the leaders of local tour firms. These people often fail to monitor the tourists' return home.

As a result, more than 4,000 Chinese have entered Maritime Kray as tourists since the start of the year, but only slightly over 1,000 have returned. So the figures quoted at the start of this article for the number of foreigners detained in the course of the operation are truly just a drop in the bucket.

Judging by the results of a raid on a famous Chinese flea market in Vladivostok, it is time to open a permanent specialized militia detachment there. Thus, in just one raid, forces from the Special Purpose Militia Detachment and several rayon internal affairs departments arrested 80 Chinese without the necessary documents. The task of permanent militia monitoring is made easier by the conditions in the local trading system—the flea market is surrounded by a strong barbed-wire cordon, and the territory allocated to it is minimal.

Nobody today knows what the correlation between the local, Maritime Kray population and the foreigners is. No estimate at all can be made of the number of the latter, because of the lack of registration and records for people crossing the border. The range of opinions about their arrival is just as great as the difference between the actual and the officially registered "foreign presence" in Maritime Kray.

All we know is that, in comparison with last year, "foreign" crime in the kray has grown threefold. There are 7,000 foreigners officially registered—and, therefore, living legally—in Vladivostok alone. The overwhelming majority of them are Chinese. They work at 200 enterprises in the kray center and observe the passport and visa formalities. By all accounts, they will not be affected by Operation "Foreigner."

Tomsk-7 Plant Promised Credit To Ease Cash-Flow

PM1605152394 Moscow ROSSIYSKAYA GAZETA in Russian 13 May 94 First Edition p 2

[Correspondent Aleksandr Chernykh report: "Poor Little Rich Man—the Nuclear Version"]

[Text] Tomsk—This winter rumors spread around Tomsk that the Siberian chemical combine in Seversk

(Tomsk-7) could be shut down. In particular, that coal reserves had reached a critical level because of the financial crisis.

At a press conference combine director G. Khandorin did not rule out the possibility that the enterprise could be shut down. Although he naturally expressed the hope that the government would not allow this. Otherwise a social explosion would follow, because one-fifth of the city's inhabitants are directly employed at the combine. Counting their families, the number increases about threefold. The main thing is that over one-half of the local budget comes from payments and taxes received from the combine.

The combine's specialists believe that even a brief closure will have unpredictable consequences, and economic computations show that ensuring the safety of a closed combine is in no way cheaper than the cost of operating it.

All these arguments were set out in a letter addressed to Head of Government V.S. Chernomyrdin. It was signed by atomic energy first deputy minister Konovalov and oblast administration head Kress. Tomsk inhabitants are requesting financial support. Not the one-shot kind but support in the form of regular credits, and even at the usual rather than a preferential interest rate.

Someone might protest here: Russia's entire economy is in crisis and the budget deficit is enormous, yet nuclear power workers are asking for credit, and regular creditat that. But the whole paradox is that the Siberian chemical combine is a profitable enterprise. A fact, strange as it may seem. Even though in the first quarter the combine received 22 billion rubles [R] less than it should have. The "Tomskenergo" joint-stock company failed to pay a debt of around R8 billion. In turn the combine owed R17.4 billion for fuel for the AES [nuclear electric power station) and for coal for the TETS [thermal power station].

Yet the nuclear power workers say confidently that they will settle up with everybody at the end of the year. The letter to the government says unequivocally that all credits will be repaid with guaranteed interest. A profit of R150 billion is even planned by the end of the year. This can be explained very simply: The Siberian chemical combine has reliable partners in distant foreign countries.

"The point is that Western partners pay only in two instalments," Yu. Samarin, the combine's deputy economics director, explains. "Once immediately prior to the moment when a contract starts to be implemented, and the second time when the final settlement is made. So it turns out that we have a positive balance for only three to four months a year. But on the whole we are in credit for the year. Even though money to acquire fuel and materials is needed every month."

The Siberian chemical combine finds itself in the role of a poor little rich man. This will continue until the nonpayments crisis is eradicated and until a mutual settlement system which operates efficiently has been established. But until these times of plenty arrive the nuclear power workers need regular credits. Chernomyrdin responded to the letter positively. It has been passed to the relevant authorities with an appropriate resolution. There could still be slip-ups at this stage of agreements and settlements. The Finance Ministry is quite capable of making a negative finding. There is no spare money in the budget. Yet this is a special case. Both nuclear safety and the interests of an oblast of a million people must be borne in mind. The main thing is that it is not just another bottomless pit where credits disappear, never to return. As the saying goes, the product is guaranteed.

Chechnya Plans Tactical Military Exercises

LD1605165994 Moscow INTERFAX in English 1541 GMT 16 May 94

[Text] Groznyy plans to hold tactical military exercises of the Chechen Armed Forces involving aviation, armored vehicles and artillery. This was reported to Interfax by Commander of the General Headquarters of the Chechen Armed Forces, Colonel Aslan Maskhadov. He said that firing exercises will be carried out.

According to Maskhadov, the exercises will be guided by Commander-in-Chief, President of the Republic Dzhokhar Dudayev. On the occasion foreign observers were invited to Chechnya, including defense minister of the near and far abroad.

Kostroma 'Greens' Step Up Campaign for AES Referendum

PM1705092194 Moscow ROSSIYSKAYA GAZETA in Russian 17 May 94 First Edition p 3

[Yuriy Vakhrin report: "Will There Nonetheless Be a Referendum?"]

[Text] Kostroma—Kostroma's "Greens" are stepping up their onslaught on the local administration. They have held a rally demanding that a precise date be set for a referendum on the future of construction work on the Kostroma AES [nuclear electric power station].

A year ago local opponents of the construction near the city of Buy collected the number of signatures needed to demand a referendum in the oblast. But the leaders of the government ignored it and they are today pretending that "nothing of the kind is happening." That is understandable since the local authorities are pininng their hopes of major financial injections in the oblast's economy on the construction work. At any rate that is what the Ministry of Atomic Energy has promised. But the oblast environmental movement "Life" has no intention of backing down, and Oblast Governor Valeriy Arbuzov will evidently have to go to court in the near

future as defendant in a case brought by the "Greens," who are charging him with opposing the holding of a referendum.

Chelyabinsk Region Becoming 'Nuclear Waste Ground'

PM1705100394 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 10 May 94

[From the "Novosti" newscast: Video report from Chelyabinsk-65 by Sergey Sergeyev and Viktor Sosunov, identified by caption]

[Text] A train carrying spent nuclear fuel from the Finnish nuclear power station in Lovisa originally built with Soviet assistance arrived in the notorious city of Chelyabinsk-65 at the beginning of May. This happened despite the efforts to stop the train by activists of the international Greenpeace organization. The local Greens are also vigorously protesting against the importation of foreign nuclear waste to the southern Urals. Activists of the Movement for Nuclear Safety have mounted a picket at the oblast administration headquarters and are collecting signatures to prevent Chelyabinsk Oblast from being turned into a world nuclear waste ground.

Meanwhile the train carrying spent nuclear fuel from Finland has been unloaded and the said material is now in one of the Mayak Chemical Combine's plants. Uranium will be extracted from this material and returned to the nuclear power industry; the Ministry of Atomic Energy will receive a substantial sum of money in dollars; and by all accounts the waste will remain, as ever, in Chelyabinsk Oblast, whose territory has long since been declared an ecological disaster zone.

Pace of Spring Sowing in Altay 'No Worse than Last Year'

PM1705091394 Moscow ROSSIYSKAYA GAZETA in Russian 17 May 94 First Edition p 1

[Unattributed item from roundup of ROSSIYSKAYA GAZETA, ITAR-TASS reports under the "Yesterday, Today, Tomorrow" rubric: "Rains Help"]

[Text] Grain farmers in Altay Kray have sown the first 1 million hectares of grain. The rains in Altay Kray proved highly opportune: The ground became saturated with moisture, which has been lacking since the winter.

Sugar beet farmers have also brought sowing equipment into the fields. Around another 2,000 hectares have already been sown to this crop. Over one-half the allocated area has been sown to sunflowers. Specialists estimate that the current pace of the sowing campaign in Altay Kray is no worse than last year.

International Affairs

Ukraine to Join First Partnership for Peace Exercise

LD1605153794 Moscow INTERFAX in English 1327 GMT 16 May 94

[Text] Poland, Hungary, Ukraine, and the United States in June and July will be doing the first military exercise under NATO's Partnership for Peace scheme, Ukrainian Defense Minister Vitaliy Radetskyy said.

He told a news conference in Kiev on Monday [16 May] that each country would detail a motorized infantry company for the exercise, to take place in Poland.

Radetskyy said Ukraine's Odessa and Cis-Carpathian Military Districts had already prepared training grounds for future Partnership for Peace exercises.

He said none of the participant states should be allowed to "enjoy priority" in the scheme, which "some of the states seek."

Earlier the same day Radetskyy said "the content of the neutral status of Ukraine needs a more precise definition." "Our noninterference in efforts to ensure the security of the common European home would be difficult to understand," he said at a news conference held for him and his visiting Austrian counterpart, Werner Fasslabend. "It is not only the security of Ukraine that is our concern. What's happening to our neighbors also concerns us. If there's trouble in a neighboring state, it may speread to our country too," he said.

Ukraine to Join Russian-U.S. Freedom Space Station Project

LD1605153594 Moscow INTERFAX in English 1327 GMT 16 May 94

[Text] Ukraine will join the Russian-U.S. freedom space station project, Ukrainian Deputy Prime Minister Valeriy Shmarov said.

Shmarov headed a delegation, which had been to the United States to discuss Ukraine's joining the treaty on the nonproliferation of nuclear technologies, the implementation of the START II treaty by the former Soviet Republic, and its cooperation with America in nuclear power engineering and defense convesrsion.

Shmarov said a joint memorandum issued during the visit and on the American side signed by Vice President Al Gore "offers Ukraine broad opportunities for research and operations in the field of space rockets."

He said a Ukrainian-U.S. statement had also been released reflecting all aspects of implementation of the trrilateral statememnt by the Russian, Ukrainian and U.S. presidents on Ukraine's nuclear disarmanent. Both sides expressed satisfaction with the progress made in the work, Shmarov said.

He said Ukraine wpould shortly launch construction of facilities to produce fuel for its nuclear power plants on the basis of a technology to be provided by the American company Westinghouse.

The head of Ukraine's National Space Agency, Vladimir Gorbulin, said at the same news conference that Kiev "will become an equal partner in space cooperation." He said Ukraine in July would send a delegation to the Unted States representing all sectors of the country's space industry.

All Nuclear Warheads Out in 3-4 Years

LD1605163494 Moscow INTERFAX in English 1541 GMT 16 May 94

[Text] All nuclear warheads will be pulled out of Ukraine within three to four years, Ukrainian Defense Minister Vitaliy Radetskyy told journalists in Kiev on Monday [16 May].

He said the arrangements for one train with warheads takes about one month. As of today, Radetskyy said, three trains with 180 nuclear warheads have been sent from Ukraine to Russia. "Everything is going according to schedule," Radetskyy assured journalists. According to information available, at the end of 1993 Ukraine had approximately 2,000 nuclear warheads.

Radetskyy also said that Ukraine will be controlling the process of re-targeting American strategic missiles earlier targeted against Ukraine. With this purpose a Ukrainian delegation is due to visit the USA soon.

By 30 May the USA is to change the flight program of its missiles so that they are not aimed against Ukraine any more.

Rukh Appeals for Suspension of Nuclear Withdrawal

LD1705083994 Kiev UNIAN in Ukrainian 2039 GMT 16 May 94

[Text] Kiev [no date as received]—The People's Movement of Ukraine [RUKh] circulated an appeal to the Council for Security and Cooperation in Europe and the UN Security Council

"Events that have recently taken place in the Crimean autonomous republic, which is an inalienable and constituent part of the Ukrainian state, are testimony of the real possibility of the region turning into a zone of permanent threat to peace and stability in Europe," the document says. The authors of the appeal note that "flagrant violations of Ukraine's constitution based on including on the agenda for a session of the Supreme Council of Crimea issues on the creation of Crimea's own armed forces, the introduction of dual citizenship, completely ignoring the interests of the indigenous Crimean Tatar and the Ukrainian population, and the redeployment of military formations from the territory of Russia to the Crimean peninsula, are acts aimed at

violating civic peace on the territory of Crimea thus creating the grounds for the emergence of an armed conflict."

In RUKh's view, the situation arose as a result of direct and permanent interference by state officials of the Russian Federation in the affairs of a neighboring state. The Black Sea Fleet is being used by Russia as an instrument of forced pressure.

Vyacheslav Chornovil, who signed the appeal, stressed that under these conditions the "process of the further withdrawal of nuclear warheads from Ukraine in accordance with the trilateral agreement should be suspended."

RUKh appeals to the Council for Security and Cooperation in Europe and the UN Security Council since, in RUKh's view, "only the intervention of institutions that are called on to maintain security in Europe can defend peace in the region and prevent the creation of a new zone of international tension."

Nuclear Reactor Protection Systems Contract To Be Signed

LD1605192694 Moscow INTERFAX in English 1741 GMT 16 May 94

[Text] In the near future the research and production association Hartron (Kharkov) will sign a contract with the American Westinghouse company for the production of modernized nuclear reactor protection systems for Ukrainian nuclear power stations. This was disclosed to INTERFAX-Ukraine by the marketing director of Hartron Alexander Bek.

On 17-19 May, American representatives are to visit Hartron to work out the details of a business plan.

During the visit to the U.S.A. of a Ukrainian Government delegation led by Vice-Premier Valeriy Shmarov an agreement was signed on the American government offering five million dollars for the project. It was the first bilateral agreement promoting the conversion of the Ukrainian defence industry.

Hartron was named by Ukraine as a leading organization for reconstructing control systems for nuclear power stations. It is known in Ukraine as an experimental producer of control systems used in missile and space programs.

According to Bek, the money offered by the American Government should be spent on the purchase and installment of new equipment, the organization of testing and the training of personnel.

Bek said that according to unwritten rules the contribution of Westinghouse is going to be four times greater than that of the American Government.

As its own contribution to the project Hartron is offering its production capacities, premises, staff and intellectual potential.

In Bek's opinion, the contract with Westinghouse should be long-term and not limited to this project.

Agreement on Military Cooperation Signed With Austria

LD1605192494 Kiev UNIAN in Ukrainian 1340 GMT 16 May 94

[Text] Kiev—An agreement on the "development of military cooperation between Ukraine and Austria" was signed on 16 May during a visit to Ukraine by Austrian Defense Minister Werner Fasslabend. It envisages an exchange of experience in the area of military construction, cooperation in training special UN troops, and setting up information links between the two countries.

At a news conference on 16 May, Ukrainian Defense Minister Vitaliy Radetskyy said that "being a nonnuclear and nonaligned country, Austria is very close to Ukraine. But the concept of "neutrality" today requires clarification. In conditions of regional instability, noninterference in existing conflicts would be incomprehensible."

Werner Fasslabend noted that "the aim of his visit was to learn about Ukraine's experience in military building since the stability of other countries created stability in Europe."

National Affairs

Deputy Prime Minister Praises Talks in U.S. Upon Return

WS1705094694 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 17 May 94

[Text] A government delegation headed by Deputy Prime Minister Valeriy Shmarov returned to Kiev yesterday from the United States. A news conference devoted to the results of the visit was held at Boryspil airport. Our correspondent Yuriy Horban has the details.

[Horban] Aside from Valeriy Shmarov, the delegation comprised high-level officials from the Ministries of Foreign Affairs, Machine-Building, and Defense Industry and Conversion, as well as of the National Space Agency of Ukraine. As the deputy prime minister noted, the wide range of issues discussed in the United States primarily included Ukraine's joining the international convention controlling the proliferation of missile technologies and equipment, and its implementation of provisions stemming from START I. Also discussed were possibilities for cooperation in the power industry,

particularly, in nuclear power engineering and the conversion of defense enterprises. Summarizing the negotiations held in the United States, Valeriy Shmarov said the following:

[Begin Shmarov recording] There is a certain degree of success in our cooperation with the United States—its recognition of Ukraine as a partner. The U.S. Administration noted in a joint statement that Ukraine has become a reliable partner. There is no attitude of, as the saying goes, an elder or stronger brother—regular work based on parity is being carried out instead. Regarding our cooperation in RKRT [expansion unknown], we signed a memorandum. For the U.S. side, it was signed by Vice President Gore, from ours, I was commissioned to sign it. The memorandum virtually opens for Ukraine the possibility to conduct studies, as well as to launch production and operation in the space-missile industry. This is very important. I believe that it is a very important document that makes it possible for our state to use and develop its potential. A second aspect important for the future is that, having analyzed the implementation of commitments stemming from the tripartite declaration [on nuclear disarmament] and the START treaty, the U.S. and Ukrainian Governments issued a joint statement, in which Ukraine's actions and consistency in nuclear disarmament were praised. The fact that the United States announced in the joint, bilateral statement that all missiles pointed at Ukraine will be retargeted by 30 May, I regard as our important achievement; not only political but also a practical achievement.

Regarding conversion, pilot projects were assigned, and one of the projects—concerning cooperation between the Westinghouse and Kharprom corporations—has already been signed, meaning that the first step toward real cooperation has been taken. In general, I would say that we have begun real work in all directions of our cooperation, meaning that we are moving from political intentions toward practical cooperation. [end recording]

Radio Phone-In With President Kravchuk

LD1405135294 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 13 May 94

[Phone-in interview with Ukrainian President Leonid Kravchuk by moderator Volodymyr Bodenchuk, chief editor of the MOLOD UKRAYINY newspaper; phone-in takes place at the newspaper's office in Kiev on 13 May—recorded]

[Summary from poor reception] [Bodenchuk] Leonid Kravchuk has taken part in a similar phone-in at the newspaper's office before, about a year ago, and this is a continuation of those conversations.

[Caller] Is a monument to Mykhaylo Hrushevskyy, president of the Ukrainian People's Republic, going to be erected in Kiev, and if so when and where.

[Kravchuk] Such a monument will be erected and the plan for this has been elaborated. Its location has not yet been decided, but it is expected to be erected by 1995.

[Caller] Three or four years ago, when Ryzhkov was still in the former Union, bonds were distributed. In 1993, we should have received the goods from them, let us put it like that—cars, refrigerators, and so on. How is this issue being resolved, and will it be resolved or not?

[Kravchuk] Well, this issue is extremely complicated for us, from the aspect that considerable funds are needed for this. But the fact remains that it should be resolved—you remember that this issue has been raised two or three times at Supreme Council sittings. At the last Supreme Council sitting an instruction was issued to the executive power—in particular to the Cabinet of Ministers—to find a mechanism to compensate in full the debts from indexation of deposits and everything connected with the paying back of debts to the people.

There are two main proposals now: The first is to include, for instance, savings, property subject to privatization. There are other proposals too. We are currently elaborating all of those versions that are possible, so that they are realistic, so as not to simply promise something to people, as before, and then not to hand it over. Because, if I know today that I have no funds in the budget, but I tell you that I will pay back to you, well this will be just hot air, and there is no need to engage in this. We are studying the versions. But the fact that it should be paid back to people, and that it will be returned—there can be no other talk, as they say. The talk can only be about how to do this most efficiently and realistically—so as not to promise, but to resolve.

[Caller, in Russian] I am an engineer and mother of two from Kherson. My family is facing problems due to low earnings and food shortages. I had to take an extra job to make ends meet. How long can I hold out like this?

[Kravchuk, in Russian] Today no one is the enemy of his own people and the state and all people should support one another in these hard times. Today one should not engage in populism and make hollow promises, thus deceiving the people, because people will finally lose their faith in the authorities. All these elections will be rendered meaningless. I appreciate her efforts to cope with the difficulties independently and promise that the state will do everything possible to support the people who find themselves in such difficulties.

[Bodenchuk] There was a letter from Ivan Piven who works at an agricultural firm in Lvov who calls on the president of Ukraine to exercise all his powers to stop the political orgy connected with the plot of the procommunist councils. Everyone understands that the early election of the president and the election of the local bodies of power are disastrous for the state, which is just beginning to feel the first signs of stabilization.

[Kravchuk] One can agree with the second part of this proposal, this letter, that it is necessary to prepare a legal

basis at first and then to hold elections. This is the right of the people and the right, after all, of the Supreme Council too, and the right of all to determine what system our state will be based upon. Whether it will be a unitarian state, or a federative one, as some people propose. All this is the right of the people, I repeat this, and not only a concrete person. This is a very, well, large-scale problem dealing with, probably, every man—even the one who has not yet been born. What kind of a state will we have? We cannot solve this problem quickly and spontaneously. This is why I say that it is necessary to create a legal basis—to determine plenary powers, to determine the status.

Some leaders at oblast level are unaware of the nature of their relations with the central bodies of power and have no plan of action.

If this move is not backed up with a legal basis, this can be disastrous for the state, and I agree with this. By the way, we also have Crimea's experience. I was talking with journalists today. Autonomy was granted to Crimea in 1990. Only two years later the law on the delimitation of plenary powers was adopted and over these two years Crimea has covered the distance that should now be backed up with a legal basis, but it is much more difficult to go back than to do what should be done from the very beginning.

As for stopping them, for example, only by the powers granted by the people, there are nuances here. It is necessary to act in compliance with the law. If every one of us starts to violate the law and act only by the force of authority...[pauses]. The authority is strong only when it is legitimate. If it is illegitimate, it can be strong but then it is not a democratic but a totalitarian authority. If I make this step, say, toward totalitarianism and act proceeding not from law but from the position of strength and fear, or compulsion or pressure, then this will be a return to what we already learned and what we had already lived through. I cannot fully agree with the first point, but I agree with the second part 100 percent.

[Caller] Does the president, as a presidential candidate in the forthcoming presidential election, have an anticrisis program.

[Kravchuk] The following should be said here: Ukraine and its president do have an anticrisis program. What is more, it, in principle, was also adopted by the Supreme Council. It consists of three parts. Part one is the anti-inflation program that was approved. Second, there is the program of concrete steps, and third the program that was included in the socioeconomic development plan and the budget. That is to say, all those documents represent this program.

What is the problem then? The problem is not the absence of a program but the mechanisms of its' implementation, and this is where we continuously stumble. We have not yet worked out the mechanisms that would allow us, let us say, to work effectively.

For example—here is an example to make it clearer—the anti-inflation program that we approved, for instance, is oriented toward market mechanisms, such as privatization and demonopolization, i.e. toward the processes that again are in the program. But if privatization and demonopolization progress today is poor for various reasons—which I will not speak about now—such as issues of communal and state ownership, and the laws that have been produced, which is a whole, great topic for a conversation and I do not want to approach it now—if there is no privatization and demonopolization yet, (there can be no) anti-inflation program. In other words, the program is ahead of time and is more our wish than our possibilities.

It is not only the programs that are wrong. He who thinks that we lack a program is mistaken. We have enough programs but we have not got enough people capable of carrying out a program, and we are again short of fully developed mechanisms because of a lack of certain experience in carrying them out at banks, financial and commercial structures.

Yesterday, for instance, I signed a directive on Ukraine's holding companies. There is no law determining the principles that a holding company is based on. After its' finalization in all structures, we have, for one and a half months, been working with specialists in order to settle this issue of principle. After all, holding should become a form of joint stock organization [aktsionuvannya] and a form of corporatization, which is the shortest way to market mechanisms and market structures. So, however one looks at it, it should be started from scratch.

But even that is not a problem. The problem is that everyone should want to start, and make quick progress, which, unfortunately, is what is lacking. The program, however, is there.

[Caller] [question indistinct]

[Kravchuk] So, tell me what you would have done if you were me? Well, just what would you have done immediately had you been elected president tomorrow? What would your first steps in relation to Russia have been?

[Caller] I would have considered the example of other states. I would have considered the conduct of Estonia, for instance, where the president is a brave man protecting his land. He is not afraid of this (giant) that Russia is.

[Kravchuk] In this case, one cannot but be afraid—one should fear no one. [sentence as heard] One should, however, act so that tomorrow our children will not go to war. Your point of view, you see, is this. Apart from Kiev, for example, there is also—(I will generalize), the (eastern) part of Ukraine. All in all, around 9 million Russians live somewhere there, in the east. So, suppose we should declare today, all of a sudden, that we want to have nothing in common with Russia because it is so and so, turn our backs on Russia, if that part of our body could be described by that word, and go some other way.

First, what would start in Ukraine itself, is the expression of various points of view on this. There would then be no need for anyone to make peace among us as we would fall out among ourselves, the east with the west, the center, the east, and the south. So what one should do is to maintain peace. No one is afraid of Russia, no one wants to be under Russia, and my position is clear: With Russia, but not under Russia!

[Caller] Yet, it is time now for us to show that we do not just grovel to someone.

[Kravchuk] This is exactly what we show. But why, for example, have we now found ourselves in the situation where we have not got energy carriers or this or that? We have to compromise and have a flexible policy in order not to lose our statehood. We would always lose statehood when we would not compromise, when we would fall out and when we would not take account of real forces. It was then that we would lose our state.

We need patience. We have to compromise today in order to become stronger. Once we are stronger and more powerful, our voice will grow stronger. Now, however, screaming and having nothing to support us is somewhat reminiscent, you know, of screaming by someone who is very weak but saying: I will get you, I will get you, I will get you!—yet running the other way.

Joking aside, the truth is that we cannot take the risk. We cannot risk our people. We cannot risk our state. We have to act wisely, calmly and considerately.

I can understand you, caller. I absolutely understand you. You want our Ukraine to be strong, for its voice to be heard worldwide. Do I not want this or does anyone else not want this? You want Ukraine to have prestige. Do I not want this? Maybe, I want it more than anything else in the world, but, trust me, I do know the distribution of forces and the situation, and I do so better than you—no hard feelings. I do know that if I take a wrong step today, we will lose everything tomorrow.

[Caller] Well, what about Russian Defense Minister Pavel Grachev behaving as he pleases in our (Crimea)?

Kravchuk: Never mind. The main thing for us is to hold the fort and then we will tell him how to behave himself.

[Caller] The people are losing hope. Hopelessness is what is (frightening).

[Kravchuk] The people should understand—and you must say this as well—that nihilism should not be sown now. (You must tell them) that every time one is starting to build something, one should build it and then be independent. But in the situation where we have not yet built our state and are still building it, facing everyone at once and, shall we say, showing force, requires that force to be there.

In general, I am against any force. I am for living in peace. You can see what the show of force has led to for those who practiced it. They, up till now, have not been able to make both ends meet. Take Yugoslavia: Two million of its people are now living outside that country, have become refugees or are wandering worldwide. I have recently spoken to Azerbaijani President Aliyev: 200,000 people are living in tents at that end of the country, in Iran, Iraq, and so on. We have so far restrained ourselves. We are not destroying anything. We are in the process of building. We need patience and flexibility and we need to compromise—although you are saying that this should be ended and so on—in order to build it. Once we have built it, then the attitude toward us will change accordingly. Once we have had enough wisdom to build it, we will be respected.

Trust me, I have as great a desire as you do. One cannot, however, have a desire alone if it is not backed by any real possibilities.

[Caller] I am a correspondent from Radio Liberty's Moscow bureau. Our first question is on the possibility of the presidential election now indeed being cancelled by the current Supreme Council...

[Kravchuk, interrupts in Russian] Well, it is difficult for me to tell you whether it will or will not be. I have presented to the Supreme Council a message where, in what seemed to me to be a well-founded manner, I tried to explain why the election today—ahead of settling all legal and other issues at constitutional level—would not only be, as it were, undesirable for Ukraine, but might also become a danger. What the parliament will decide, I cannot say. The only thing I do know is that 120 deputies, approximately two weeks ago, backed this proposal. It is supported by local councils, enterprises' work-forces, scientists, people. In other words, this question is such that it should be addressed at parliamentary level and such a document has been sent to parliament.

[Caller, in Russian] My second question is this: (You know that) an economic agreement may be signed between Russia and Crimea. How do you feel about these bilateral ties between Russia and Crimea?

[Kravchuk, in Russian] Well, as for a trade and economic agreement, we can say that Ukraine, for example, has its own trade and economic relations with Tatarstan. We have also signed an appropriate agreement. That is why I cannot see any problems if the Crimean autonomous republic were to sign trade or other relations of an economic nature with other entities.

I hope you understand that it is trade and economic ties that we are talking about, provision for which was, on the whole, made in our documents and decisions, as it were. We are not talking about the conclusion of any political treaties as an entity of international law. That Crimea might act as an entity in international law is not provided for and, let us say, is today excluded.

[Caller] Here is my question. Since the Supreme Council of Crimea and its current leadership tend to operate a pro-Moscow policy rather than a pro-Kiev one, do you think the transition of Crimea to Russia is a possibility?

How does the Russian leadership feel about this with regard to the international situation?

[Kravchuk] I will answer your question. The leadership of Russia is a broad notion, to a certain extent. There are executive authorities within the leadership of Russia.

[Caller] Yes, I have in mind the top leadership.

[Kravchuk] For example, the president. For example, Prime Minister Chernomyrdin, President Yeltsin, and others. As official statements read, they support Ukraine's integrity and this is stipulated in our treaties and the trilateral agreement. The inviolability of borders, the integrity and sovereignty of Ukraine are supported by both the executive authorities in Russia and other states: The United States of America, France, Great Britain, and Germany. That is to say, we enjoy full international support as far as this issue is concerned. This is the first thing.

Second, it is Russia's representative structures that are conducting a crafty policy today. I have in mind the Russian Duma. Well, the Duma's deputies and others arrive and allow themselves to declare that Crimea is the territory of Russia, that it was and will belong to Russia, that the fleet belongs to Russia. The local authorities in Crimea also support such statements by these people but these are their wishes only.

No international agreements, no other documents or agreements between Ukraine and Russia envisage—on the contrary they stipulate that Ukraine, as a state, is integral and inviolable. We will conduct this very policy. However, there is no doubt that, well, such a trend, such a stand, such a desire on the part of the people in Crimea does exist. To prevent this we must do everything possible so that life becomes better both in Ukraine and in Crimea. Believe me, when it becomes better, these issues will be relegated to the background.

[Caller] [passage indistinct]

[Kravchuk] Well, it may well be that this, let us say openly, is propaganda, because Russia cannot be assessed by what Moscow and St. Petersburg are like. Let them go deep into Russia and see for themselves what there is....

[Caller, interrupts] Why take three Russian cities and say that Russia is better-off.

[Caller] Leonid Makarovych, this is [name indistinct] calling you. I am an engineer and work as deputy department head [words indistinct] Statistics Ministry. I do not think that privatization in Ukraine fully takes account of the interests of the Ukrainians proper. The impression is that there are no rich businessmen and entrepreneurs of Ukrainian nationality. The state does not take proper care with the participation of Ukrainians in business. So the question of how many Ukrainians of Ukrainian origin have businesses is very important.

Leonid Kravchuk mentioned the United States of America as an example of a country where business circles are represented by the people of various nationalities. If we approach business proceeding from ethnic belonging, we will not last long, believe me, he added.

The caller then referred to American Indians who, in his opinion, achieved more in the United States than Ukrainians in Ukraine. He said they concluded a treaty with the occupants, as he put it, in compliance with which they receive compensation for the use of their land to the value of $400. He then said that privatization in Ukraine, if carried out by all kind of swindlers, may affect the interests of the Ukrainian population.

[Kravchuk] I will take your remarks into account. But I would like to repeat that one should act in this case proceeding from the following criterion: If a person is doing something good to Ukraine, proper conditions should be created for this person. Because, excuse me for saying this, but there are such Ukrainians with whom I would not like to communicate and there are such Russians and Jews with whom I would like to sit and have a cup of tea. This is a normal phenomenon.

[Koltsov, in Russian] Good afternoon. I am Vladimir Koltsov of the Moscow-based radio station Yunost [youth] of the Ostankino Company.

Leonid Makarovich, I have this question: The thing is that yesterday the Supreme Council did not put the issue on postponing the early election of the president on the agenda. What do you intend to do next in this situation?

[Kravchuk] No, it seems that you are not quite precise. Yesterday the Supreme Council made up the agenda for three days only. That is to say, it put only organizational issues on the agenda. Namely, the election of the presidium, then the formation of the working bodies of the Supreme Council, that is the election of the chairman, deputy chairmen, and the formation of the committees. Today they are tackling issues connected with the setting up of groups and groupings, the time limit, and so on. That is to say, the Supreme Council did not put on the agenda the issues other than those dealing with the organization of the work of the Supreme Council itself. However, it did enter the issue on postponing the election in the list of issues to be discussed by the Supreme Council after the organizational issues are solved.

[Koltsov] But Leonid Makarovich, what do you think, in your view, will the deputies agree to postponing the presidential election, as very little time now remains until that date.

[Kravchuk] Well, you see, the issue here, whether little or much time remains, for instance, the deputies have now divided into two sections. Some of them are in favor of postponing the elections of both the president and of local bodies. The others, say, are in favor of only postponing the presidential election, but to hold elections, say, to the local bodies. Whether they agree or not,

I understand it thus, that any issue, no matter whether it is resolved late or early, even if it is not ready, it must be resolved correctly.

The problem is not the time period. The problem is the rightness and necessity of the issue. Because, for instance, if one is faced with such a dilemma—today something bad has to be done, it is planned to do something bad, little time remains to stop this bad thing, and we consciously agree to a bad step, for instance, being guided only by the idea that there is little time left. This does not happen. There is political advisability, need, necessity, importance, and, as one says, political consequences. That is the main thing. So, I have presented, one can say, all of the arguments to the Supreme Council. Their job is to decide, to decide finally, that is to decide. And all those, who should go to the elections, will decide.

[Koltsov] Leonid Makarovich, tell me, how do you evaluate the future of the further, let us say, dispute between Russia and Ukraine on the matter of the Black Sea Fleet.

[Kravchuk] We should resolve this issue, as, incidentally, the day before yesterday or thereabouts, I dispatched a letter to Russian President Boris Yeltsin, about us, well, on the whole, embarking on a continuation of these talks at a higher, if one can express it thus, level of representation, about us instructing our governments, or at the level of deputy prime ministers or prime ministers, to sit down and make specific proposals, and sign them, not passing them over to other authorities. Because when we assemble there, for instance, with the president, with the government, we resolve issues. Then we hand them over to authorities, ministries, departments. They begin to go the rounds and to wreck, as one says, these issues right there. Therefore, they should be resolved at a substantial level and submitted for signature, fundamentally—it seems to me—elaborated and coordinated. Now the goodwill and understanding of the interests of both Ukraine and Russia are needed.

[Unidentified caller] Tell me please, might one call your decision to stand in the presidential election on 26 June a final one?

[Kravchuk] Well, you see, I want the Supreme Council to examine my appeal and to decide on it. If the Supreme Council postpones the election, then naturally I will withdraw my candidacy from the voting. If the Supreme Council leaves the decision of the old Supreme Council in force, that is, it does not postpone or stop the election, that means that I will take part in the election like all the others.

[Caller] If the election nevertheless, takes place, who of the other contenders for the post of president do you consider to be your main competitor?

[Kravchuk] Well, it is difficult to say now. You see, the situation is changing. Clearly the main ones, I think, the most credible contenders, who have already made themselves known, whom Ukraine knows about and who have the right image, are Ivan Plyushch and Leonid Kuchma. For instance, I know that certain circles, certain structures and certain people have a favorable attitude to the young contenders too, in particular to Valeriy Babych and Volodymyr Lanovyy. I think that Oleksandr Moroz too, has some possibilities for taking an active part in the election, and so do others, that is Petro Talanchuk. That is, I would not want to belittle anyone now or to single anyone out. Everyone has a chance. But the voting will show who has made use of it.

[Prytula] Leonid Makarovych, this is Volodymyr Prytula, a journalist from the Crimea. Leonid Makarovych, at a news conference today Serhiy Tsekov, chairman of Crimea's Supreme Council, spoke in favor of Crimea forming its own National Guard. What is your attitude to this, and in general what measures will you take regarding this?

[Kravchuk] The Crimea is not a state; the Crimea is an autonomous republic, and according to Ukraine's legislation, the formation of its own armed forces or a guard or something else is not envisaged by the Crimea.

[Prytula] [passage indistinct]

[Kravchuk] No one in the Crimea will accept it, because it is not a subject of international law.

[Starozhytska] This is Mariya Starozhytska from the television news agency "Vikna" [Windows]. Yevgeniy Saburov and Aleksandr Shokhin are to sign an accord in the Crimea tomorrow [14 May] on cooperation between the Crimea and Russia. What is your attitude to this as president of Ukraine?

[Kravchuk] Well, this needs to be formulated more precisely. They are to sign an agreement on trade and economic cooperation. We have also signed, Ukraine has signed corresponding agreements on economic and trade cooperation between, for instance, Ukraine and Tatarstan. And, let us say, Russia did not become warm nor cold because of this, and we could work normally with Tatarstan. We also sign corresponding trade and economic agreements with other regions of Russia. And there is no problem, for instance, when precisely a trade and economic agreement between the Crimea and Russia is concluded, but this is not, as you say, on cooperation, partnership, or something else. This is not a political—not a document with the nature of a treaty—this an agreement on trade, on economic relations. This is envisaged. There is no problem with this. But if, for instance, it had been about a treaty between two states, if, for instance, Russia had signed some kind of interstate document with the Crimea, or military-political, or some other kind of document—this is impossible now, because the Crimea is not a subject of international law. The Crimea is an autonomy within the composition of Ukraine. But it can have economic relations with any state.

[Bodenchuk] Here is a question sent in by representatives of the U.S. magazine EASTERN ECONOMIST: The United States and other Western states conditioned the allocation of a certain financial aid to Ukraine by the implementation of economic reform. New economic programs should be drafted and submitted toward that end. If they are being drafted, who is engaged in this process? When and how can one expect that the implementation of this reform will get under way?

Answering this question Leonid Kravchuk said that such programs, although they are not perfect, do exist. He also said that an expert group of the International Monetary Fund is expected to arrive in Ukraine soon to complete the elaboration of Ukraine's program that may be backed up financially. The problem of setting up a stabilization fund may also be solved.

[Kravchuk] That is to say, after this visit we will be able to say definitely to what extent this program complies with the norms adopted by these international financial structures, if it is approved and adopted. This will mean that the green light will be given to investments, [word indistinct], Western economic aid, including [words indistinct]. However, at this point one should know the difference: These $700 million earmarked by the United States for Ukraine—$350 million for military and nuclear issues and $350 million in economic aid—are not directly linked with economic reform. Nobody means to say that this money will not be allocated if economic reform makes no progress. This is an absolutely different thing. The talk is about the large-scale, let us say, movement of capitals both along state lines, along commercial lines, along lines of private investments, and so on. True, this movement of capitals is directly linked with the progress of economic reform.

Well, it is worthwhile mentioning that, although with difficulty, but one can say definitely that this movement, as they say, is already carried out. Both the privatization program...[pauses] You, probably, write and read and see this yourself. They already mention specific numbers of enterprises that are being privatized. Preparations are under way for the introduction of our own currency unit the hryvna. Serious restructuring processes are taking place in the banking, credit, and financial structure. There is some stabilization today. We have sharply reduced inflation rate. They say this is so because money is not available. But one should not just receive money, one should earn it.

That is to say, the statements to the effect that the reform in Ukraine is at a standstill, although they have already been driven into people's heads, they do not correspond to reality in full measure. The reform is moving forward today. True, it is moving forward with difficulty. True, it is moving forward in a complicated manner. It is moving forward slowly, this is also true. But one should take into account our specific features.

[Bodenchuk, in Russian] Here is a telegram from Volonovakha, Donetsk Oblast: In order to coordinate further work for your support, please inform us urgently of a time for an appointment in Kiev so that we can leave immediately—the independent youth of the rural areas.

[Kravchuk] That is interesting, Ukraine's youth for the president. That is interesting. We should invite someone from the group to contact us. Well, why should they all have to come to Kiev. Perhaps I could go to them.

[Bodenchuk] Here is a telegram from Kobelyaki in Poltava Oblast: There is nowhere to retreat to. More political will is needed. We wish you success most sincerely. Ukraine is with you. Mykola Androfiv, Kobelyaki.

[Kravchuk] Great. Thank you Mykola Androfiv from Kobelyaki—that is in Poltava Oblast is it not? Truly for us to retreat, it is not so much that there is nowhere to which to retreat, but it is impossible. Even if there were somewhere to retreat to, it would be impossible, because I tell everyone, and I have to say it here, you know, this is a chance that history has given to us to survive. And I say that there all possibilities for doing this, all possibilities.

There was a time, in November-December of last year for instance, when inflation reached 80 percent each month, incidentally this is what the previous government did, we had these consequences. I really thought that the economy would collapse if we did not get any help, there was this nuclear pressure, all channels were closed, we were being deprived, one by one they were reporting that credits were being suspended, and so on. This was terribly difficult, terribly difficult. But, now that we have gone down this road, the attitude toward us has changed. We have acquired some sort of experience.

Well, we were the first of the CIS countries, if we are to take the sea as an example, to feel the sand at the bottom of the sea. We were the first. We were the first to touch the sand because we were the first to endure the blow of prices for energy-carriers. We were the first to have, say, the fiercest economic sanctions applied against us, perhaps not sanctions, but economic levers, let us say. We have endured this. These prices increased by tens of thousands of times. There was nowhere to turn. We were at the bottom. This was sand. To go lower would just mean to dig ourselves into the sand, or possibly submerge ourselves in it. This means, that we can now go, and we are beginning to go along the sand, for now very slowly, but not downward now.

Perhaps we are even going up. For instance, [words indistinct] has increased by 12 percent compared to the corresponding period. There is the expectation and hope now that we can survive economically. If we can survive economically, then we will survive from the state, political, and spiritual aspect without fail. Those countries, who have not reached the sand, are currently experiencing greater blows. I am thinking of the Central Statistics Directorate, the press, contacts, for instance, with the Asian republics. They are still sinking for the moment.

Therefore, there is a chance—not just for us, but for everyone. If we are going to talk to one another about helping each other within the CIS framework, and not set some kind of ambitions or political aims, then we can survive and live in friendship and partnership with all countries and peoples. Naturally the will is needed, the strength is needed, support is needed. People have also understood much over this time.

When some part, say, of the political forces and their leaders, are widely shouting that again Ukraine will not survive, that it can survive only under Russia. Some say with Russia, but in fact it means only under Russia, because you know if we do not have our own banks, our own armed forces, our own currency, what kind of equality is this? We should just put this out of our mind and have done with it, because why deceive the people. They should say that we cannot live otherwise—we need someone above us—and they could just go their own way. Whoever wants to can go in that direction, whoever does not want to- well, that is the way it is. Naturally, each person will work it out. But there is no need to deceive the people because independence is independence. It cannot be that there is independence in just one thing—for instance, independence to go out onto the street in the evening. [passage indistinct] We can and will go out. But I would like everyone to understand this. I wish you all the best.

Kravchuk Arrives in Donetsk for Talks With Industry Workers

LD1605132294 Moscow Mayak Radio Network in Russian 1000 GMT 16 May 94

[Text] Ukrainian President Leonid Kravchuk has arrived in Donetsk oblast on a working visit to discuss the problems in the coalmining and metallurgical sectors with miners, (?chemical), and metallurgy industry workers. An ITAR-TASS correspondent has learned that Leonid Kravchuk is also to hold a brief meeting behind closed doors with his representatives from Dnepropetrovsk, Donetsk, Zaporozhye, and Lugansk oblasts.

Calls for 'New Stage' in Economic Activity

LD1605193794 Kiev UT-1 Television Network in Ukrainian 1800 GMT 16 May 94

[Excerpts] President Leonid Kravchuk was in Donetsk oblast on a working visit today. He was met at the airport by his representative Yuriy Smyrnov and by Vadym Chufrun, chairman of the oblast council. Leonid Makarovych stressed that the Donbass is a special industrial region which together with the other industrial oblasts of Dnepropetrovsk, Lugansk, and Zaporozhye defines the state of the economy in our country.

The president of Ukraine held talks in Yenakiyevo with the heads of the state administrations of these oblasts and also with directors of metallurgical, coke oven, and coal industries. First, though, the inhabitants of this town surrounded Leonid Makarovych. Obviously, people are primarily concerned with social issues: prices, wages, housing, and medicines. As the president noted, they may be fully resolved when our state's economy begins to work as it should.

The directors asked the president to adopt decrees that would solve the problems of credits, exports, and mutual nonpayment. The miners alone owe their subcontractors more than 5 trillion karbovantsi. Ilyushenko, director general of the Donetsk Vuhillya production association, said that these are the results of the unsuccessful actions of Kuchma's government. Hrihoriy Pyatachenko, Ukraine's minister of finance, and Viktor Yushchenko, the chairman of the National Bank of Ukraine, explained to the directors that the present government is tackling precisely these problems and invited them to come to Kiev as a group next Monday in order to adopt a final decision aimed at pulling the Ukrainian economy out of the economic crisis. [passage omitted]

[Begin Kravchuk recording] Ukraine was one of the first countries in the CIS to suffer the biggest economic shocks, above all, with regard to prices of energy sources, taking into account the great dependency of our industrial sector on energy sources. At the end of 1993, as you remember, we simply had a terrible rate of inflation, prices increased, and everything negative followed from this.

Because of these shocks, Ukraine's economy sank very low. Thanks to the steps that were taken by the government, regardless of your criticism of it, we succeeded in holding out, although I should honestly tell you that in December I had some terrible feelings that we could lose control over the economy and even the situation.

This is not a positive aspect which one should be proud of but, nevertheless, we could say that Ukraine held out. And now we are standing on the ground. The time has come when we, standing here on this ground, should now start a new stage in our economic activity and should build a foundation on it. Well-considered steps and extremely radical steps are required. We must therefore combine considered actions with radicalism and executive activity, discipline, order, and organizational ability. [end recording]

National Guard, Crimean Militia Clash in Simferopol

LD1605124094 Kiev UNIAR in Ukrainian 1200 GMT 16 May 94

[Text] Simferopol, 16 May—A conflict between militia employees of the Crimean Republic's Ministry of Internal Affairs and employees of Ukraine's National Guard occurred in the center of the town at 1730 on 15 May, as a result of which guardsmen were arrested. Representatives from the National Guard and the Internal Affairs Ministry of Crimea described the incident as an offense committed by the national guardsmen.

Navy Wants 'To Maintain Friendly Ties' With Fleet

AU1705070694 Kiev HOLOS UKRAYINY in Ukrainian 13 May 94 p 1

[Unattributed report: "Laying the Blame on Someone Else...."]

[Text] The Military Council of Ukraine's Naval Forces has expressed a strong protest against the provocative actions and statements by some officers and admirals of the Black Sea Fleet, as well as by high-ranking officials and activists of Crimean pro-Russian public organizations. Convinced of their impunity, reads the Military Council's statement disseminated on the occasion, individual military officials of the Black Sea Fleet declare increasingly aggressively about their readiness to violate by force the integrity of existing borders. Moreover, Crimean President Yu. Meshkov accuses, without any substantiation, the Command of Ukraine's Naval Forces of allegedly calling for confrontation. Ukrainian servicemen decisively refute such allegations and confirm their readiness to maintain friendly relations with the Black Sea Fleet.

Counterintelligence Chief on Military Reform

WS1705070094 Kiev HOLOS UKRAYINY in Ukrainian 11 May 94 p 5

[Interview with Major General Oleksandr Skipalskyy, chief of the Ukrainian Security Service Military Counterintelligence, by Anatoliy Ben; place and date not given: "If Not by Numerical Strength, Than by Skills"]

[Text] "We will vote for people wearing epaulets. Perhaps they will restore order in the country..."—one could often hear such opinions during the latest election campaign, and the voters were doing just that. As a matter of fact, not many people in epaulets—officers and generals of the Army, the Militia, or the Security Service—dared to engage in the electoral battle. Many of those who braved the election, however, won an overwhelming majority of votes in the first round. Among them was Major General Oleksandr Skipalskyy, chief of the Ukrainian Security Service Military Counterintelligence. He does not consider himself the leader of a possible parliamentary faction of "people in epaulets." He believes that there are not enough such deputies in the new Supreme Council. Yet, it should not be forgotten that they are disciplined and mobile people, that they fight not by "numerical strength, but by skills," and that they do not play the least important role in the configuration of parliamentary forces. Such servicemen as O. Skipalskyy, who has gone through the mill of political battle and earned experience working at the Security Service, are not remaining in the shadows. Our correspondent began his interview with the following question:

[Ben] Oleksandr Oleksandrovych, what prompted you to trade in your Military Counterintelligence Service identification card for a seat in parliament?

[Skipalskyy] I and my colleagues were led to the Supreme Council primarily by our concern over Ukraine's political and economic instability. External enemies are trying to rock our state. This is a purposeful action, and there is a vast area of legislative work ahead of us, specialists who have long been working in law enforcement bodies, particularly, in the Security Service, to disarray our foes in the legislative way.

[Ben] I recall Suvorov's [19th century Russian commander] saying that "they fight not by numerical strength, but by skills." Nevertheless, as I believe, there are too few "people in epaulets" in the new parliament, and there are not many of your followers either.

[Skipalskyy] Based on the most important thing—the development of the independent Ukrainian state—I expect that there will be an absolute majority of my followers in the new Supreme Council.

As for my followers on issues of military policy and development, the situation here is more complex. Among the new legislators, there are really too few servicemen who have experience in developing a new armed forces. Parliaments of civilized countries comprise many military officials who have participated in combat operations, which guarantees that mistakes will be avoided while forming military policy.

In the current parliament, there are almost 10 people who wear military uniforms. I think that they will contribute to the development of our Armed Forces and other power structures.

[Ben] Could you name them?

[Skipalskyy] Of course. I am convinced that such deputies as Colonel Omelchenko and Lieutenant Colonel Yermak will do a lot in the parliament, and that Admiral Kozhyn will contribute to the development of the Ukrainian Navy. I can also name Gen. Chykalo, deputy chief of the Zhytomyr Corps, Lieutenant Colonel Bilous, and Col. Bilas. There is a large group of reserve officers.

[Ben] Are your followers planning to form a separate faction in parliament, or are they going to unite in some other way?

[Skipalskyy] Everything will depend on the atmosphere in the Supreme Council. We have discussed this issue and come to the conclusion that factions are useful, but if there are too many of them, this can trigger fierce and sometimes even useless discussions. We are ready to join a faction which will implement progressive economic reforms, and we will be politically sympathetic with all supporters of the development of our independent sovereign state—Ukraine.

[Ben] In your opinion, as a serviceman, what laws must currently be adopted, or which laws already in force must be amended or altered, for a more effective military policy of our state and the development of its Army?

[Skipalskyy] Unconditionally, the most important thing today is a new constitution. It is absurd when a state forms its new political and economic platform and its fundamental law remains unchanged.

I would not like the new parliament to get excited over a revision of laws in force. Certain laws, however, must be changed or amended. We are particularly concerned over the "delayed action bomb" implanted by the Supreme Council to strengthen separatist positions in Ukraine. I have in mind the direct elections for new oblast council heads. Excuse me, but this resembles independent principalities we saw in our history. We know what came about then.

Regarding legislative acts concerning the sphere of military policy, certain amendments must also be made here. We have worked out a legislative basis, and it is in force. We must immediately apply measures, particularly legislative ones, to strengthen military discipline. Legislation on military police must also be adopted. We currently do not have a precisely defined structure which would fight against crime in the Army. Such legislation has already been drafted. The crime-breeding situation in the Army requires that we adopt this legislation immediately. I think that legislative acts, which regulate conscription of our young men into the Army, must also be changed. Currently, a great many conscripts are evading military service: Those who have money—buy their way out; those who do not—serve in the Army. I could list a whole range of issues that should be resolved at the parliamentary level.

[Ben] There are currently many debates concerning problems related to reforming the system of military education. The current chiefs of the military department claim that their predecessors, particularly Gen. Prokofyev, "messed things up," and that the situation requires substantial changes. I would like to know your opinion in this regard.

[Skipalskyy] My opinion is unequivocal. I was once supporting (and I still support) many of Gen. Prokofyev's innovations. At the same time, I agree with those military specialists who consider Prokofyev's miscalculation the fact that he did not establish a mechanism for implementing his concepts of military education. Obviously, certain educational institutions were reformed too soon.

However, I would not dramatize the situation as a whole; I would not draw hasty, revolutionary conclusions, as certain people who are far from the Army do. Necessary corrections must be made in a calm manner.

I would like to note here that we fully endorse the position of the current Defense Minister Radetskyy on protecting Ukraine's interests in the Crimea and strengthening military discipline, and that we support him in achieving this.

[Ben] Thus, if I have correctly understood your intentions, deputies-servicemen are not going to demand cardinal changes in our state's military doctrine?

[Skipalskyy] Perhaps it will be worthwhile to amend the military doctrine in a certain period of time. Yet, in general, it currently conforms to Ukraine's political course. The main thing is to implement it, and to resolve painful problems.

Rukh Leader Believes in Possibility of Coup in Crimea

LD1605154694 Moscow INTERFAX in English 1327 GMT 16 May 94

[Text] A coup is planned in Crimea with all-round support from the Russian Federation. This statement was made in a Monday [16 May] interview with INTERFAX-UKRAINE by the leader of the Ukrainian RUKh (Movement) Vyacheslav Chornovil. According to him, on 20 May the Crimean parliament intends to return to the question of restoring the 1992 Crimean constitution which actually proclaims Crimea an independent state.

Chornovil thinks that after deciding on dual citizenship all key posts and control over processes in Crimea would be given over to Russian teams. He was also alarmed by the fact that high-ranking officials from Russia are taking part in the work of the Crimean parliament.

He stressed that in their speeches at plenary sessions of the Crimean parliament the head of the CIS committee of the Russian State Duma Konstantin Zatulin and a member of the Russian presidential council Andronik Migranian supported the idea of the new Crimean constitution and even promised all-round assistance in drafting it by several Russian MP's. Chornovil claimed that Russia has set up a constitutional development foundation which is involved in drafting the new Crimean constitution.

According to the RUKh leader, Russian high-ranking officials are prompting to Crimean leaders the idea of Crimean membership in the CIS and joint command as an independent member and suggesting that Crimea raise the question of the withdrawal of Ukrainian armed forces from its territory.

Chornovil said RUKh is planning to appeal to the UN Security Council, the CSCE as well as the president, parliament and Supreme Court of Ukraine to take immediate resolute steps following the attempts of the Crimean leadership to violate Helsinki accords.

Urges 'Tough Measures' Leadership

LD1605170094 Moscow INTERFAX in English 1541 GMT 16 May 94

[Text] The Ukrainian RUKh has called for immediate tough measures against the Crimean leadership. A Monday [16 May] appeal to the Ukrainian president, parliament and Supreme Court says that in order to

preserve the territorial integrity of the country foreign interference in the internal affairs of Ukraine should be rebuffed and an armed conflict provoked by separatist moves by the Crimean authorities prevented.

The document points to the illegality of the actions of the Crimean president and parliament, disregard for the Ukrainian and Crimean Tatar communities and the policy of separation from Ukraine. The document also claims that the Black Sea Fleet is used for pressurizing Ukraine. "In these circumstances the process of withdrawal of nuclear warheads under the trilateral agreement should be stopped," RUKh believes.

Also on Monday RUKh sent a message to the CSCE and the UN Security Council that claims that the present situation became possible as a result of direct and constant interference of Russian Government bodies in the affairs of a neighboring country contrary to all declarations of the Russian president and other top leaders about the observation of the principles of inviolability of frontiers and guarantees of territorial integrity.

Khmelnitskiy Nuclear Power Station Power Set Open Again

LD1605213594 Moscow ITAR-TASS World Service in Russian 1535 GMT 16 May 94

[Text] Khmelnitskiy, 16 May, UKRINFORM-TASS—The first power set of the Khmelnitskiy nuclear power station has once again been switched on to the grid following the completion of scheduled preventive maintenance work that lasted a little over a week. Nothing has been reported regarding the performance of the equipment. The radiation situation at the station and at built-up areas in a 30-km zone is within the norm.

Belarus

Presidential Candidates Conclude Signature Collection

LD1605162394 Moscow INTERFAX in English 1509 GMT 16 May 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Candidates for Belarusian presidency have now ended a campaign of collecting signatures in their support with final results to be announced later this week. Registration of candidates will start on 27 May and wind up on 2 June.

It is now known that the list of contenders enlisting a required 100,000 signatures on the ground or 70 signatures from Belarusian deputies includes Prime Minister Vyacheslav Kebich; head of the former anti-corruption commission Aleksandr Lukashenko; leader of the opposition People's Front Zenon Pozniak; Communist Party chief Vasiliy Novikov; ex-Speaker of Parliament Stanislav Shushkevich; leaders of the Concord Party and Agrarian Union Gennadiy Karpenko and Aleksandr Dubko.

One other likely candidate is President of the Union of Entrepreneurs Vladimir Karyagin whose support group is still engaged in vote-counting.

Local polls put Kebich and Lukashenko firmly in the lead with up to 25 percent of the electorate in different parts of the country ready to support them.

At a recent meeting with college professors and lecturers in Minsk, Kebich expressed his desire to enter the race by the feeling of high responsibility for the future of the country "which is now at a crucial stage of social reform and industrial restructuring."

Clergy Not Taking Part in Elections

LD1605172394 Moscow ITAR-TASS World Service in Russian 1228 GMT 16 May 94

[Report by BELINFORM correspondent Svetlana Kalinkina—TASS]

[Text] Minsk, 16 May—Fulfilling the decision of the Holy Synod of the Russian Orthodox Church, the Belarusian clergy will not take part in the Republic's first presidential election.

A BELINFORM correspondent was informed at the office of the diocese of the Russian Orthodox Church that there is no substance in reports that the clergy are canvassing for one candidate or another or participating in groups. At the same time some church ministers have until now been actively engaging in politics; deputies at various levels are permitted to complete their term in office as set out by the law.

Withdrawal of Russian Troops Continues

LD1605164894 Moscow Mayak Radio Network in Russian 1530 GMT 16 May 94

[Text] In accordance with the schedule for the withdrawal of Russian troops from the territory of Belarus, tomorrow, 17 May, an air regiment in Machulishche, outside Minsk, leaves its place of deployment.

It is planned that another 33 units will be withdrawn this year.

Russian Ruble May Replace Currency Within 2 Months

LD1605135194 Moscow ITAR-TASS in English 1336 GMT 16 May 94

[Report by BELINFORM for TASS]

[Text] Minsk 16 May TASS—The Russian rouble may replace the Byelorussian [Belarusian] currency in 1.5-2 months, Byelorussian Prime Minister Vyacheslav Kebich said.

Kebich stressed that the merger of the monetary systems of Russia and Byelorussia is a prerequisite for rescuing the Byelorussian economy from the crisis and preserving the Repulic's sovereignty.

He believes that the economic situation in Byelorussia will change for the better in the near future after Russia and Byelorussia sign an agreement on economic union.

Moldova

Defense Minister Reviews Plans for Professional Army

AU1605173494 Chisinau BASAPRESS in English 1900 GMT 13 May 94

[Text] Chisinau BASAPRESS, 13/5/1994—The professionalization of the Army will be one of the main tasks of the Defence Ministry in the near future, states to the newspaper PACEA CIVICA (CIVIC PEACE) Pavel Creanga, Moldovan defense minister. By late 1995, professionals will represent the largest portion of military specialists in the Army units and subdivisions. Later the whole Army, from soldiers to generals, will become professional. Creanga rejects certain people's proposals to liquidate the Army. He says that Moldova should have "sufficiently numerous regular troops mobile and capable of confronting eventual threats to its security." Referring to the instruction of officers, Creanga specified that by late 1995 at "Alexandru cel Bun" Military College courses for retraining different military specialists will begin. He also said that other special schools for instructing professional soldiers will be opened as well. About 100 graduates from the CIS military schools will begin serving this year in the Defense Ministry. Many Moldovan Army soldiers are studying in France, Romania, the U.S.A., and Greece, Says Creanga.

Trans-Dniestrian Problem Remains 'Primary Task'

LD1605125194 Moscow INTERFAX in English 1051 GMT 16 May 94

[Text] Deputy speaker of Moldova's parliament, Dmitry Motspan, who leads the Agrarian Democratic Party (INTERFAX note: parliamentary majority party) qualified the call for setting up a Russian military base in Moldova as political speculation. "Having proclaimed itself a demilitarized zone, Moldova does not accept the idea of turning Russia's 14th Army into a military base or maintaining the army on its soil under some other status," he told INTERFAX on Monday [16 May].

"To define a political status for Trans-Dniestria and for the localities populated largely by the Gagauzi is a primary problem requiring urgent solution," Motspan said. According to him, "it would be good to determine the status of Trans-Dniestria and Gagauzi-populated localities prior to adopting a new Constitution, so that it could be reflected in the fundamental laws."

"A new constitution will have to be adopted no later than this autumn in any case," the deputy speaker said. "By that time some of the problems connected with the special status of Moldova's southern and eastern areas might remain unresolved," Motspan said.

If a new constitution is adopted earlier than a special status for Trans-Dniestria and the Gagauzi-populated areas is determined, "no amendments to the Constitution will be required," Motspan said. "The fundamental laws will state that Moldova is an independent state, and the establishment of a federation or confederation on its territory is inadmissible," he said.

The leader of Moldovan agrarians believes that another armed conflict in Trans-Dniestria must not be allowed to take place. At the same time he expressed willingness to "cooperate in the endeavors to resolve this and other problems with any political forces, even if they are not represented in the parliament."

PDAM's Motpan Holds News Conference

AU1605173894 Chisinau BASAPRESS in English 1900 GMT 13 May 94

[Text] Chisinau BASAPRESS, 13/5/1994—During the two months of the Parliament's activity, 99 important documents were adopted, stated Dumitru Motpan, chairman of the Moldovan Agrarian Democratic Party (PDAM), at a press conference held today by the governing party. The PDAM leader pronounced himself in favor of conducting elections to the local administrative organs in the near future and excluding from the future Constitution the words "federalization" and "confederalization." Motpan promised that "no later than November the Constitution will be adopted." Referring to detainee Ilascu's [Ilie Ilascu, sentenced to death by a Dniester court] problem, he expressed the certainty that Ilascu will not be executed. Motpan believes that Tiraspol tries to increase the price for Ilascu's release. He said that he knows nothing about some alleged guarantees made by Tiraspol leaders that Ilascu's life is out of danger. He also pointed out that during the last meeting between Moldovan and Gagauz representatives, "Gagauzians sent some extremists who want more the more they receive."

Inflation Rate Registers 'Significant' Decrease in April

AU1605173094 Chisinau BASAPRESS in English 1900 GMT 13 May 94

[Text] Chisinau BASAPRESS, 13/5/1994—The inflation rate during April in Moldova was 5 percent; this is a significant decrease in comparison with the previous months, indicates the State Department of Statistics report. In January, inflation stood at 44.5 percent, in February and March respectively 26.4 percent and 13.4 percent. "The decrease in inflation, the recent fall in the interest rate and the stability of the national currency are signs that the economic reforms promoted by the Moldovan Government and National Bank begin to show their effects," states a communique of the IMF representation in Moldova. Michael Blackwell, IMF representative in Chisinau, believes that the fall in inflation will undoubtedly lead to economic growth and the awaited improvement of living standards. "The interest in investing in the Moldovan economy continues to grow," states the communique. It emphasizes that "the IMF and World Bank will continue to grant Moldova financial assistance." [words indistinct] financial-crediting policy attempting to reduce inflation to 1-3 percent by the end of the year and make it remain at the levels registered in European countries.

Kazakhstan

Government Meeting Reviews Economic Problems

LD1605154094 Almaty KAZTAG in Russian 1345 GMT 16 May 94

[Excerpts] [no dateline as received] Prime Minister Tereshchenko has held a meeting with members of the government, heads of departments, major enterprises, national and joint stock companies, and holdings, and deputy heads of oblast administrations. Views were exchanged on the serious economic situation. Reports on the situation in their industries were presented by ministers of industry Salomatin; of power and fuel resources Baykenov; and of transport Isingarin.

As was pointed out at the meeting, production continues to decline. In the first quarter of this year it fell by 30 percent. Extraction of oil dropped by 14.5 percent; of coal by 10 percent; and of natural gas by 35 percent. Electric power output declined by 14 percent.

Despite the mutual writing-off of debts, mutual debts have reached a total of 24 billion tenge. Curbing inflation has become the most difficult task for the government. [passage omitted]

One tonne of oil is likely to cost $191 by yearend. Even now prices for fuel on the domestic market are higher than the world level. If the debts are not repaid, production of electricity will be reduced by a significant degree.

The main conclusion drawn during the meeting was the necessity to change pricing, first of all prices for fuel.

Good Results Achieved in Oil Recovery Process

LD1605115594 Almaty Kazakh Radio Network in Russian 0800 GMT 16 May 94

[Text] By the beginning of May this year, workers at the Uzenneft Oil and Gas Recovery Directorate achieved good results, having recovered 272,509 tonnes of oil. This good result was achieved through reconstruction and the efficient use of technology and personnel. All eight oilfields worked concertedly along with other units of the Mangistaumunaygas production amalgamation. The fact that 91 wells have been commissioned from the mothballed fund and 10 wells automated has also played its role.

Fourteen Oil Wells Commissioned in Mangistau Oblast

LD1605105094 Almaty Kazakh Radio Network in Kazakh 0800 GMT 16 May 94

[Excerpt] In Mangistau oblast, workers of the Uzen directorate drilled wells to a total depth of 13,000 meters [as heard] in April and commissioned 14 oil wells. [passage omitted]

Network of Housing Construction Banks Set Up

LD1605123294 Almaty Kazakh Radio Network in Russian 0800 GMT 16 May 94

[Text] Residential housing construction is a complicated matter, not only for a newly independent republic, but for any other developed nation. For this particular reason, measures envisaged by the president's decree and the law on residential housing are targeted at both creating a national housing market and promoting construction. One of the specific steps in this direction is setting up a housing banks network which will make low rate mortgages available for building detached houses and blocks of apartments. These banks will give priority in granting mortgages to people in great need of housing.

For the first time ever, mortgages will be given if secured against property collaterals. The state-owned housing will be built only for the socially unprotected groups of the population. Currently six housing banks are being set up in the Republic. One of them is located in Kokshetau. Now its leadership, together with the oblast administration and national bank's directorate, is training personnel and looking for finance. The oblast will now have 15 banks.

Ambassador to Belarus Appointed Concurrently to CIS

LD1605092794 Almaty Kazakh Radio Network in Kazakh 0800 GMT 16 May 94

[Text] By decree of the president of the Republic of Kazakhstan, Temirbayev Valeriy Batay-uly, ambassador extraordinary and plenipotentiary of the Republic of Kazakhstan to the Republic of Belarus, is appointed concurrently permanent representative of the Republic of Kazakhstan at the CIS regulatory bodies.

New Rayon Newspaper Published in West Kazakhstan

LD1605123394 Almaty Kazakh Radio Network in Russian 0800 GMT 16 May 94

[Text] Another newspaper is published in West Kazakhstan oblast. The BURLINSKIYE VESTI newspaper, with a circulation of 7,000 copies, is published in Aksay city [Burlinskiy rayon]. Its cofounders are the local administration and the rayon maslikhat. The paper comes out in two languages—Kazakh and Russian—and will inform its readers on news of the rayon, the work of local authorities, the life of the rural population, and the working collectives which are developing the Karachaganak gas and condensate deposit.

Kyrgyzstan

Financial Auditing To Take Place in Osh Oblast

LD1605124394 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 15 May 94

[Text] In order to increase control over the state's financial discipline in the oblasts and rayons, a special

commission has been set up led by Deputy Prime Minister Matubraimov. By order of the government, the commission will investigate the situation in Osh oblast and submit its report on the outcome of this investigation by 22 May 1994.

Country Holds Large-Scale Army, Security Exercises

MK1305095094 Moscow SEGODNYA in Russian 13 May 94 p 4

[Unattributed POSTFACTUM report: "Kirgizia Holds Military Games"]

[Text] According to the Kirgizia [Kyrgyzstan] Defense Ministry Press Center, on 11 May large-scale command and staff exercises that are without precedent in the country's history began in the republic's south. In addition to army units, they involve personnel of the Internal Affairs Ministry, the State National Security Committee, the National Guard, and the State Defense Committee. The aim of the maneuvers is to improve interaction of all power structures in peacetime.

Law on State Secrets Comes Into Force

LD1605071694 Moscow ITAR-TASS in English 0657 GMT 16 May 94

[Report by ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek 16 May TASS—A law on state secrets has come into force in Kirgizia [Kyrgyzstan]. The secrets include information relating to Kirgizia's economic and political interests. It is prohibited to make public and discuss, in particular, any information on the technical state of the roads, the state of health of airline pilots, epidemics, and losses of cattle.

Tajikistan

Russian Border Guards Kill Tajik Opposition Saboteurs

LD1705085894 Moscow ITAR-TASS World Service in Russian 0825 GMT 17 May 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 17 May (ITAR-TASS)—The situation on the Tajik-Afghan border has undergone virtually no significant change and remains tense. Military sources report that on 16 May Russian border guards foiled two attempts by small groups of Tajik [opposition] fighters to cross the border in the Pyandzh and Khorog sectors. A day earlier, in the Shuroabad sector of the Moskovskiy border troop detachment, Russian border guards eliminated a group of Tajik fighters who penetrated into Tajikistan in order to perpetrate acts of sabotage. In the same sector, Russian border guards discovered a major clandestine arsenal of rockets belonging to the Tajik mujaheddin.

New Commander of Peace-Keeping Forces Holds News Conference

LD1405215094 Moscow ITAR-TASS World Service in Russian 1208 GMT 14 May 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 14 May—In the view of Col. Gen. Valeriy Patrikeyev, commander of the collective peace-keeping forces in Tajikistan, the sociopolitical situation in the Republic is gradually returning to normal. Making this statement at a news conference today, he linked this positive development with the constructive policy pursued by Tajikistan's leadership and with the efforts of the collective peace-keeping forces stationed here. This was the first public appearance before the press of the new commander, who replaced his predecessor on the post, Col. Gen. Boris Pyankov.

Valeriy Patrikeyev went on to emphasize that he had reached these optimistic conclusions following two weeks of officially studying the situation in Tajikistan and holding numerous meetings and discussions with the Republic's residents from virtually all regions, as well as with Tajikistan's top leadership.

At the same time the Russian general described as expedient the decision of the council of CIS heads of state held in Moscow on 15 April to extend the mandate of the collective peace-keeping forces until 31 December 1994, in view of continuing tensions on the Tajik-Afghan border. In the general's view, the intransigent Tajik opposition has not renounced its plans to destabilize the situation on individual stretches of the border; armed provocations against Russian border guards are continuing, as are attempts by armed fighters to break into Tajik territory.

The situation is particularly alarming in the Pamir sector, where enemy personnel and hardware concentration is continuing in the Afghan provinces bordering on Tajikistan. In the words of the commander, the obvious purpose of this provocation is to attempt to break through the border on a mass scale with subsequent deep penetration into the Republic's territory in order to conduct combat operations against the present government. However, all these attempts are doomed, the commander said. The collective peace-keeping forces and the national armed forces have sufficient resources to deal decisively with all these ventures.

At the same time Gen. Patrikeyev expressed himself in favor of political settlement of the Tajik conflict, noting that the military option was a dead end. "My dream is of the collective peace-keeping forces becoming redundant in the Republic with regard to their participation in hostilities. And I will do all I can in my capacity to settle

the conflict by peaceful means," concluded the commander of the collective peace-keeping forces.

General Welcomes Extension of Peacekeepers' Mandate

LD1605210994 Moscow Mayak Radio Network in Russian 1830 GMT 16 May 94

[Text] According to Colonel-General Valeriy Patrikeyev, commander of the collective peacekeeping forces in Tajikistan, the situation in the Republic is gradually returning to normal. In the words of the new commander, he has come to this conclusion after a two-week acquaintance with the situation in the country and meetings with the Republic's residents and leadership. Incidentally, the Russian general described as expedient the decision on extending the mandate of the collective peacekeeping forces until 31 December 1994. In his words, the situation on the Tajik-Afghan border remains complex.

Next Inter-Tajik Talks Scheduled for 4 Jun in Tehran

LD1605150494 Moscow INTERFAX in English 1327 GMT 16 May 94

[Text] The next round of talks between the Tajik leadership and the opposition is planned for 4 June in Tehran, one of the leaders of the Tajik opposition, former Muslim leader of the Republic and now Deputy Chairman of the Tajik Islamic Revival Movement, Akbar Turandzhonzoda, told INTERFAX on Monday [16 May].

He said that the terms of the talks were agreed with the UN General Secretary's special envoy for Tajikistan Ramiro Prisi Bolion and Deputy UN General Secretary for political issues Marek Goulding.

Turadzhonzoda confirmed the opposition's readiness to sign an agreement on a temporary cease-fire. "I am surprised Dushanbe did not agree to sign this agreement during the first round of talks in Moscow on 5-19 April," he pointed out.

In the meantime, Tajik Foreign Minister Rashid Alimov did not confirm to INTERFAX that the talks with the opposition would continue in Tehran on 4 June. "In this issue we are oriented by UN representatives, but not Taradzhonzoda," he noted.

According to Alimov, a visit by UN representatives Bolion and Goulding to Dushanbe is planned for 25-27 May.

Labor Minister Views Problems Facing Return of Refugees

LD1605163094 Moscow INTERFAX in English 1406 GMT 16 May 94

[From the "Presidential Bulletin" feature No. 92 (582) by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] The repatriation of all refugees by the end of this year is likely to double the country's rate of unemployment, Labor and Employment Minister Shukurjon Zuhurov told INTERFAX.

However, Zuhurov who leads a government delegation in peace talks with Tajik opposition entrenched in Afghanistan said the gloomy prospect would be able to force Dushanbe to go back on its main goal of getting all refugees return safely to their homes in Tajikistan.

The minister put last year's number of jobless at less than one million, but the figure may sour up to 1.5 million after the refugees come back from next door Afghanistan.

Asked whether it was worth bothering about repatriation at all then, Zukhurov said the government's main priority was to get the refugees back home while the problem of unemployment, also besetting other countries, would be resolved in the order of the day.

The minister said that the cabinet-proposed plan provides for only 100,000 new jobs if "the industry functions normally and proper investment is made," conditions that are likely to emerge only in five years from now.

One solution to the problem is to sign agreements with CIS states having their own Tajik communities on exports of extra workforce there, he said.

As an example, Zukhurov pointed to Turkmenistan hosting an estimated 50,000 Tajik refugees at the moment, but the local laws do not provide for their right to employment or housing or social security benefits.

Overall, the minister is optimistic about the prospects of normalization in Tajikistan.

And so is new commander of Russian troops in the region General-Colonel Valeriy Patrikeyev who spoke of things going back to normal in that country.

Speaking on Saturday, he said that Tajikistan was recovering from the shock of civil war following government measures and efforts taken by peacekeeping troops. At the same time, he spoke of high crime rates in the Republic and high tension on its border with Afghanistan.

Communist Leader Calls for 'Renovated' Soviet Union

LD1605201494 Moscow ITAR-TASS in English 1916 GMT 16 May 94

[Report by ITAR-TASS correspondent Galina Gridnyova]

[Text] Dushanbe 16 May TASS—The Tajik Communist Party has called for the restoration of a renovated Soviet Union in the form of a federation as the only means to ensure the development of the political, economic, and spiritual potential of former Soviet republics.

Tajik communists' leader Shodiy Shabdolov told ITAR-TASS on Monday [16 May]that the disintegration of the Soviet Union and the parade of sovereignty that followed it have led to economic and political chaos in all republics. Radical market reforms "imposed by quasi-democrats" and "wild privatisation" have enriched a small group of nouveau riches and plunged the rest of the population in poverty and hunger, he said.

The mass drive for sovereignty was accompanied by armed inter-ethnic conflicts in many ex-Soviet republics and outburst of nationalism. Tajikistan was hit most hard. The civil war in the Republic claimed the lives of more than 100,000 people, Shabdolov said.

He noted that the majority of the population support Tajik communists' call for the restoration of the Soviet Union. Over one million people, about two-thirds of the adult population, signed appeals "for unity, brotherhood and friendship of the peoples of the USSR" adopted by numerous conferences and meetings held all across the Republic.

Supporters of the restoration of a renovated union held a founding congress of their movement in Dushanbe on Saturday. Apart from the communist party, the founders of the new movement include Tajik trade unions, the Union of Tajik Women, organisations of veterans and ethnic and cultural associations.

"We are confident that our movement is growing so strong that it cannot be stopped," Shabdolov said. He stressed that it will act within the framework of the law and use only constitutional methods. "We are against barricades and use of force," he said.

Uzbekistan

Karimov Says Russia 'Losing Uzbekistan's Market'

LD1705095394 Moscow ITAR-TASS World Service in Russian 0425 GMT 17 May 94

[Report by ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo, 17 May—"Russia is losing Uzbekistan's market," Uzbek President Islam Karimov warned in an interview with ITAR-TASS today. The president arrived for a four-day visit to Japan on 16 May.

"It appears that Moscow does not realize that Russia could be squeezed out of Uzbekistan as a result of intensifying international competition for the emergent market in our republic," the president said. "Furthermore, we are eager to win foreign investment in order to develop our economy and to establish close ties with foreign enterprises and attract them to our market." Islam Karimov stressed that Uzbekistan wanted "to retain former links with Russia, but on a new basis."

The president of Uzbekistan called for the establishment of Russo-Uzbek joint ventures based on close ties between industrial enterprises in the two countries dating from the Soviet period. "We are establishing joint ventures with firms in various foreign countries. There are now about 1,500 joint ventures in our republic, but there is not one Russo-Uzbek company," the president noted. He pointed out that Russian President Boris Yeltsin also fully agreed that the two republics should set up joint ventures.

Islam Karimov stressed that "the peoples of Russia and Uzbekistan are bound by close spiritual ties." "The Russian people have always stood beside us during those times in our history when things were very difficult for us, and we do not forget this," the president said.

Karimov Says Uzbekistan, IMF To Conclude Agreement in Jul

LD1705104294 Moscow ITAR-TASS World Service in Russian 0440 GMT 17 May 94

[Report by ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo, 17 May—Uzbek President Islam Karimov told ITAR-TASS today that Uzbekistan will conclude an agreement with the IMF this summer. He said Tashkent has officially endorsed this important document. The president, who is currently visiting Japan, said that the absence of this kind of agreement was delaying the implementation of Western programs to assist the Republic in its transition to a market economy.

The president noted that "unlike certain other former Soviet republics, which meekly agree to all IMF terms in order to gain access to foreign investment, Uzbekistan is approaching the IMF agreement with great circumspection, since its main concern is to develop the Republic's industrial base." Islam Karimov acknowledged that "the talks with the IMF about the agreement have been very long and difficult," but the work has now been completed. The Uzbek president said: "The document has been initialled by Uzbekistan" and will be officially endorsed by the IMF management this July, after which it will be signed.

Referring to Tashkent's economic policies, Islam Karimov noted that ever since embarking on reforms

aimed at bringing in a market economy, Uzbekistan's objective is to "build a socially orientated economy" based on private enterprise, but to retain a significant regulatory role for the state. "We have never sought to force the pace of reform, believing that it is necessary to build a new house before destroying the old one," the president said. He warned other former Soviet republics that are building a market economy against being too hasty in what they do, pointing out that "attempts to force the pace of reform could discredit the market economy in the eyes of the public."

Republic Eager To Promote Economic Relations With Japan

LD1705084894 Moscow ITAR-TASS in English 0810 GMT 17 May 94

[Report by ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo 17 May TASS—"Work is now nearing completion on the foundation for the rapid development of economic relations between Uzbekistan and Japan," Uzbek President Islam Karimov told ITAR-TASS. Karimov arrived for a four-day visit to Japan on Monday. According to the president, the key purpose of this visit is to promote economic cooperation between the two countries.

"Japanese businessmen are very cautious in their approach to the tapping of the Uzbek market, which is new for them," Karimov said. "They have been carefully studying Uzbekistan for the past one and a half years, focusing their main attention to the assessment of the political stability in the Republic, which is an inalienable precondition for the development of economic cooperation. Now this work is nearing completion." Today, Japan is adopting important decisions on economic cooperation with Uzbekistan at government level. Some major Japanese private companies are getting down to business on the Uzbek market, the president added.

At the same time, Karimov complained against the shortage of information on Uzbekistan in foreign countries, including Japan. He noted that the new Uzbek laws and government decisions, aimed at creating optimal conditions for the operation of foreign companies, were still unknown in Japan. In connection with the claims of the Japanese press that foreign companies were heavily taxed in Uzbekistan, Karimov said that there was an Uzbek law exempting joint ventures, in which there are more than 10 per cent of foreign capital, from state taxation for a period of five years. All customs duties on imported goods are fully annulled in the republic until 1 July 1995. "We have created all the necessary conditions for foreign investors," the Uzbek president said.

Touching on his visit to Japan, Karimov noted that Uzbekistan was planning to study most seriously Japan's experience in restoring its economy after the war and to use it in the Republic.

More on Karimov Remarks to Japanese Journalists

PM1605121194 Moscow ROSSIYSKAYA GAZETA in Russian 12 May 94 First Edition p 6

[ITAR-TASS report under the "Yesterday, Today, Tomorrow" rubric: "Relying on CIS Mechanisms"]

[Text] The achievement of economic independence by Uzbekistan "will require time," and in the meantime the country, relying on CIS mechanisms, must develop economic integration and also attract foreign aid, Republic President Islam Karimov stated in an interview in Tashkent with a group of Japanese journalists on the eve of his first visit to Tokyo, beginning 16 May.

He noted that the idea of setting up a "Eurasian community" in the place of the CIS, proposed by Kazakhstani President Nursultan Nazarbayev, "is only a new slogan, deliberately put forward with the aim of strengthening this leader's personal authority."

Deputy Premiers Attend Days of Kazakhstan Meeting

LD1605095994 Tashkent Radio Tashkent Network in Russian 0215 GMT 15 May 94

[Excerpts] As reported earlier, Days of Kazakhstan will be held 23-27 May to promote the development of mutual cooperation between fraternal countries in the socioeconomic and educational spheres and to strengthen friendship between our peoples. Yesterday, a scheduled session of the city committee for preparing and holding Days of Kazakhstan in our Republic was held. The meeting was chaired by Jurabekov, first deputy prime minister of the republic and chairman of the organizational committee. Deputy Prime Minister Karabayev spoke in detail about the progress of preparatory work for the Days of Kazakhstan. [passage omitted]

Khalilov, acting chairman of the Uzbek Supreme Soviet; Jurayev, state adviser to the president; Deputy Prime Ministers Sultanov and Usmanov; Fazylbekov, hakim of Tashkent City; and the heads of ministries and departments and deputy hakims of the Republic's oblasts participated in the meeting of the organizational committee.

Germany to Provide All-Round Support for Economic Reforms

LD1605150694 Tashkent Radio Tashkent Network in Russian 0215 GMT 14 May 94

[Text] The concluding talks on economic cooperation between the representative of Uzbekistan's Government and a delegation from the German Federal Ministry for Economic Cooperation and Development was held yesterday [13 May] in the Uzbek Cabinet of Ministers. As is known, the German delegation, led by Berhard Schweiger, has been in our country for a week. The members of the delegation have familiarized themselves with the

work of the first joint Uzbek-German enterprises and the activities of various ministries and departments. The members of the delegation also visited Bukhara, Urgench, Khiva, and Nukus.

The results of the talks were discussed in the Cabinet of Ministers. An intergovernmental protocol and an agreement on financial and technical cooperation were signed. The documents were signed by Uzbekistan's Deputy Prime Minister Sultanov, and Berhard Schweiger from the German delegation. The protocol outlines cooperation in such areas as research, training of personell, joint implementation of projects in agriculture, increasing the effectiveness of the communication system, reconstruction of the airport in Tashkent, and cooperation in public health.

We have found sincere and reliable people here, stated the head of the German delegation on the concluding day of the talks. I hope that our friendship will become stronger, not only in words but in actions. This is shown by the signed documents, which are aimed at stregnthening our cooperation. The German state will continue to provide all-round support for the economic reforms being carried out by the Government of Uzbekistan.

We are confident that the Republic of Uzbekistan will become our most close partner in Central Asia. Doctor Karl-Heinz Khuna, plenipotentiary and ambassador extraordinary of Germany in Uzbekistan, participated in the talks.

Armenia

Meeting Agrees on Need To Combine CSCE-Russia Truce Efforts

NC1605124594 Yerevan SNARK in English 0632 GMT 16 May 94

[Text] Yerevan, 16 May (SNARK)—A meeting of CSCE's Minsk Group representative Ian Eliasson and Russian President's Special Envoy Vladimir Kazimirov with the leaders of Nagorno-Karabakh was held in Yerevan. The meeting was transferred there from Stepanakert, where it was supposed to be, at the request of the CSCE and RF [as received] representatives. The reason was the bad weather that did not allow them to visit the capital of Nagorno-Karabakh.

As acting Nagorno-Karabakh Supreme Soviet Chairman Karen Baburyan told SNARK, the sides agreed that it was necessary to combine CSCE's and Russia's intermediary efforts in order to obtain stable and guaranteed truce. The latter will be the cornerstone of the further gradual settlement of all the problems connected with Nagorno-Karabakh. The Karabakh side, represented by the Supreme Soviet Chairman, as well as the Chairman of Karabakh State Committee for Defence Robert Kocharyan, and Foreign Affairs Minister Arkadiy Gukasyan, put forward their proposals.

"I consider this meeting to be positive, at least because the representative of Russia came to Karabakh together with the Minsk Group representative," said, in particular, Karen Baburyan. In his words, this fact testifies to the tendency of combining the efforts of CSCE and Russia in the way of peaceful settlement of the conflict.

Karabakh Foreign Minister Interviewed on Independence

NC1605121894 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0632 GMT 16 May 94

[Interview with RMK [Republic of Mountainous Karabakh] Minister of Foreign Affairs Arkadiy Gukasyan by an unidentified correspondent in Stepanakert on 14 May]

[Text] Stepanakert ("AZG" daily), 05/14/94—[Correspondent] What's the external policy of the RMK Ministry of Foreign Affairs?

[Gukasyan] A public opinion survey, carried in Mountainous Karabakh, has shown that our people voted for independence. Today the RMK Ministry of Foreign Affairs is implementing the will of Karabakh people. Our work is directed to stipulate recognition of the RMK independence.

[Correspondent] In what way is this work coordinated with negotiations within CIS, CSCE and UN frameworks?

[Gukasyan] The work, carried out within CIS, CSCE and UN frameworks, is of tactical nature. But the strategy remains the same. We have to deal with the international community, with the opinions of foreign countries and international organizations, with international law norms. In our opinion, if we succeed in shifting the struggle from the battlefield into the political arena, if we sit at a negotiations table, we'll have an opportunity to present our arguments, which, we believe, are sufficient for recognition of the RMK.

Our main problem is to stop the military operations. Only then will it be possible to resolve political problems. Azerbaijan is not ready to a cease fire today. In my opinion, the Azeri Government didn't give up the idea of resolving the Karabakh problem by force yet. They still hope that military success may create a favorable political situation for future negotiations. This is a mere illusion, and the Azeri Government will have to meet the reality, and sit at the negotiations table together with the RMK authorities. I do not exclude the possibility that this may be already a new government of Azerbaijan.

[Correspondent] In your opinion, how many ways for resolving the Karabakh conflict are offered by different political forces in Azerbaijan?

[Gukasyan] There is only one opinion in Azerbaijan regarding the resolution of the Karabakh conflict. I can't see other forces in Azerbaijan, which would act today differently than the current Azeri government. The problem is—which politicians will be smart enough to give up force methods. And as long as Aliyev is unable to give these up, the situation may end up with a shift of power in Azerbaijan.

[Correspondent] Do you agree with the concept of "Territories for peace", as suggested by the Chairman of the RA [Republic of Armenia] Supreme Council?

[Gukasyan] We agree with the concept but we always try to explain what "peace" means in essence. In our opinion, peace is only possible after a final status of Mountainous Karabakh is defined. Without resolving the problem of status, the danger will persist. In other words, as long as the problem is not resolved finally, peace is impossible.

[Correspondent] You agreed with stationing disengagement forces along the whole length of the front line. Do you think, these forces may become an obstacle to the goals of the RMK?

[Gukasyan] The risk factor has always existed. It was present when we pulled the problem of Mountainous Karabakh and took the responsibility for defending (our country) from an Azeri aggression, and now, when we try to shift from the sphere of war and to switch into the sphere of peace. We have been always taking risk. Risk is inevitable. But if resolution of the problem is related with a choice between war or peace, we always prefer peace. Though risking, the RMK government will try to gain not only international guarantees in the stage of

transition to peace, but will take measures to insure security with our own forces.

[Correspondent] Azerbaijan does not accept the idea of stationing peace-making forces. Which forces would you prefer—CSCE or Russian?

[Gukasyan] The most important thing for us is to have international guarantees. The more guarantees, the better. CIS guarantees are good, UN guarantees are even better, and to have both together would be an ideal case. In our opinion, the status of Mountainous Karabakh should not depend on will of Azerbaijan or other countries.

[Correspondent] Azeri journalists have been clearly indicating that third forces hinder, and have been pointing at Russia. In your opinion, could the current situation be possibly reached by means of bilateral negotiations? [Gukasyan] If there is such a notion in Azerbaijan, then I can't understand why the Azeri leaders are not willing to sit at the negotiations table with the RMK. Unfortunately, this is not true, and this proves once again that the Azeri government is not sincere in its evaluations.

[Correspondent] Azerbaijan continues stating, that Karabakh continues implementing the policy of Armenia. How would you evaluate the Armenia-Karabakh relations in the sphere of external relations? What's the rate of their influence upon each other?

[Gukasyan] Armenia and the RMK are completely independent in their external policies. Of course, this does not exclude some agreement in our positions. Our opinions differ in several questions. We do not face any pressure by Armenia in this regard. Karabakh carries an independent external policy. Regarding the policy of Azeri leaders—they have psychological difficulties in understand the fact that Mountainous Karabakh is now a separate military and political entity. We are in friendly relations with the Armenian Ministry of Foreign Affairs. Our different positions regarding several questions do not hinder to carry a coordinated policy.

The RMK external policy is developed in Stepanakert, and if it doesn't coincide with the opinion of the Armenian authorities, they understand that Karabakh should defend its opinion.

[Correspondent] How do you see the future of Armenia-RMK relations? Would it be a single entity or separate units?

[Gukasyan] I see Mountainous Karabakh as an independent country, though I do not exclude the possibility that Karabakh may become a part of Armenia.

Russian Expatriates Receive Support From Homeland

LD1605150194 Moscow ITAR-TASS in English 1413 GMT 16 May 94

[Report by ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan 16 May TASS—The Russian Ministry for Emergencies chartered a cargo aircraft to bring 25 tonnes of humanitarian supplies to Yerevan, to be distributed to Armenia's Russian-speaking communities.

According to Vladimir Starikov, envoy/councillor at the Russian Embassy in Yerevan, the foodstuffs are earmarked for deprived families of Armenia's Russian communities. Public organizations of the Russian communities and local diocese of the Russian Orthodox Church formed a joint coordinating committee to distribute the supplies.

The foodstuffs were unloaded and delivered by Russian servicemen stationed in Armenia.

Ter-Petrosyan Denounces Bomb Explosion at Tbilisi Theater

LD1605182594 Moscow ITAR-TASS in English 1704 GMT 16 May 94

[Report by ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan 16 May TASS—Armenian President Levon Ter-Petrosyan expressed condolences to the families of the victims of the bomb explosion in the Armenian drama theater in Tbilisi on Sunday [15 May] that wounded 16 people.

Ter-Petrosyan denounced the action as a "dreadful terroristic act" and a "provocation against traditional Armenian-Georgian friendship."

The Armenian leader expressed the confidence that the accident will not affect relations between the two nations and that the Georgian authorities will take all necessary measures to find and punish the terrorists and prevent terroristic acts against the Armenians living in Georgia.

Azerbaijan

Relative Calm Noted in Karabakh Conflict

LD1605121794 Moscow INTERFAX in English 1153 GMT 16 May 94

[Text] As INTERFAX learned from a well-informed source in Azerbaijan's Defence Ministry, in the past 24 hours all was relatively calm in the Karabakh conflict area.

At the same time several population centers in two border districts of Azerbaijan—Kazakh and Tauz—came under fire. This resulted in neither casualties nor destruction.

In the meantime, the headquarters of Nagorno-Karabakh's Defence Army reports that Sunday [15 May] night and Monday morning Azeri troops opened fire on the positions of Karabakh forces in the Mardakert, Agdam and Askeran directions, wounding two soldiers.

According to the headquarters, the Armenian forces refrained from opening retaliatory fire.

Decreasing Military Action Reported as Cease-Fire Nears

NC1605172294 Yerevan Radio Yerevan in Azeri 1330 GMT 16 May 94

[Text] Dear listeners, we now present a report on the latest situation in the Nagorno-Karabakh Republic [NKR] and the border between Armenia and Azerbaijan.

The mediation effort by Russia and the CSCE to restore peace in the region has begun to yield positive results. The cease-fire agreement, which will be signed at the talks between the defense ministers of Armenia and Azerbaijan and the representatives of the NKR Defense Army to be held in Moscow today, will be a step in that direction. However, several forces, establishments, and organizations opposed to the leading officials in Azerbaijan have seriously criticized that republic's signing of the Bishkek protocol.

It is no coincidence that, compared with the situation of a few days ago, the number of intensive combat operations in the region has considerably decreased. However, exchanges of fire have not completely ended. Undoubtedly, many military officials in Azerbaijan support the opposition forces in that republic.

We stressed earlier that the Armenian side is trying not to return fire in order to avoid worsening the present situation. In fact, it is trying to counter any activity that may violate the Bishkek protocol. However, the Azerbaijani forces have maintained intensive operations. Nevertheless, to be fair we must note that the present operations are in the form of positional fighting. The situation is complex.

The NKR Defense Army Headquarters Press Service has disclosed that the NKR positions in Mardakertskiy, Agdamskiy, and Askeranskiy Rayons were fired by various types or arms last night and this morning. Two NKR freedom fighters were wounded. The NKR defense forces remained committed to the NKR Defense Army Headquarters' order to refrain from opening fire. They refrained from launching retaliatory operations.

Meanwhile, intelligence units have reported that Azerbaijan is presently massing reinforcements and military vehicles in the northern part of Mardakertskiy Rayon.

No incidents occurred on the border between Armenia and Azerbaijan last night and this morning. Nevertheless, the situation is tense.

Army Reportedly Shells Nagorno-Karabakh Positions

LD1605135694 Moscow ITAR-TASS in English 1343 GMT 16 May 94

[Report by ITAR-TASS special correspondents Vadim Byrkin and Tigran Liloyan]

[Text] Yerevan 16 May TASS—The Azerbaijani Army shelled the positions of the Nagorno-Karabakh defence forces last night in the Mardakert and Agdam districts, the Karabakh Army press service said on Monday [16 May].

The Karabakh Army did not retaliate, observing the cease-fire agreement. The press centre also said that the Azerbaijani Army is moving its troops along the northern border of the disputed enclave.

Azeris Resume Shelling Karabakh Positions

LD1705072194 Moscow ITAR-TASS in English 0712 GMT 17 May 94

[Report by ITAR-TASS special correspondents Vadim Byrkin, Tigran Liloyan]

[Text] Yerevan 17 May TASS—Azeri troops resumed shelling of Karabakh positions on Tuesday [17 May] morning, using mortars and fire arms in the north of the Mardakert district of Nagorno-Karabakh and the Agdam-Askeran direction, the Karabakh Army press service told ITAR-TASS. One Karabakh soldier has been injured.

The situation on other flanks of the front was quiet on Monday night and Tuesday morning, Stepanakert sources told ITAR-TASS.

Ministry Denies Breaking Cease-Fire

LD1705090794 Moscow ITAR-TASS World Service in Russian 0847 GMT 17 May 94

[Report by ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[Text] Baku, 17 May (ITAR-TASS)—For the second consecutive day there has been calm in the Armenian-Azerbaijani conflict zone, ITAR-TASS learned at noon at the Azerbaijani Defense Ministry. Ministry officials also said that despite the claims of Armenian sources, the Azerbaijani side has not violated the cease-fire accord.

Aliyev Optimistic on Solving Karabakh Conflict

LD1605194594 Moscow ITAR-TASS in English 1842 GMT 16 May 94

[Report by ITAR-TASS correspondents Sevindzh Abdullayeva, Viktor Shulman]

[Text] Baku 16 May TASS—Azeri President Geydar Aliyev met with Chairman of the CSCE Minsk Group Yan Eliasson on Monday [16 May]. During the meeting Aliyev said that the Azeri side comes out for the solution of the Karabakh conflict by means of international organisations and welcomes the presence of international forces.

Aliyev pointed out that "once Baku realised the importance of reconciliation, one can say that we have approached a final solution of this problem." Aliyev

pointed out the importance of the realisation of the closeness of positions on concrete matters which recently appeared, taking into account the complexity of the situation for each side concerned.

The Azeri president expressed satisfaction at close interaction between Russia and the CSCE.

For his part, Eliasson said that they are as close to the settlement of the Azeri-Armenian conflict as never before. It is important not to miss the chance, he said.

In his opinion, there are a number of factors offering a real chance for the settlement of the conflict: There is a good alliance of leaders capable of taking bold decisions; CSCE streamlines cooperation with Russia in the negotiating process, in particular, as far as the deployment of observers in the zone of the conflict is concerned; the activities of the Minsk Group are supported by CSCE countries.

Eliasson believes it is important to strengthen the regime of the ceasefire by means of a mechanism of monitoring with the CSCE participation, to work out joint measures for the comprehensive implementation of given tasks. All this was reflected in the document worked out by the Minsk Group, which was submitted to the Azeri and Armenian sides, taking into account Azerbaijan's proposals.

Eliasson Interview Ahead of Nagorno-Karabakh Visit

PM1605131594 Moscow ROSSIYSKAYA GAZETA in Russian 12 May 94 First Edition p 6

[Unattributed report on interview with Jan Eliasson, chairman of the CSCE Minsk Conference on Nagorno-Karabakh, by unidentified ITAR-TASS correspondent: "J. Eliasson in Favor of Joint Actions"]

[Text] Jan Eliasson (Sweden), chairman of the CSCE Minsk conference on Nagorno-Karabakh, has expressed support for close collaboration between the CSCE and the CIS in settling the Nagorno-Karabakh conflict.

"At the present stage, I think it is essential to consolidate the state of cease-fire in accordance with the commitments, which the sides have undertaken," he stated in an interview with an ITAR-TASS correspondent on the eve of his trip to the crisis region, which begins this week. The cease-fire, J. Eliasson believes, should be accompanied by specific measures. It is necessary to try to form an observer group with the participation of both the CSCE and the CIS, so that the observers can work together as closely as possible.

"I hope that we will be able to take other steps too, including the withdrawal of troops, the removal of obstacles to transportation, the return of refugees, and the establishment of military and political guarantees," the chairman of the Minsk conference noted. "It is exceptionally important that we take measures now, otherwise the risk of an escalation of the conflict will be great. Joint actions on our part are extremely important."

J. Eliasson sees the task of his forthcoming trip to the conflict zone as trying to "stabilize" as far as possible the cease-fire situation, which is to be monitored by CSCE and CIS representatives. He intends to hold meetings with "all leaders." It is proposed that the visit will last one week.

Karabakh Minister: Issue Could Topple Azerbaijan's Leaders

LD1605152394 Moscow ITAR-TASS World Service in Russian 0635 GMT 16 May 94

[Report by ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, 16 May (ITAR-TASS)—Our main task is to put an end to military activity and only then will it be possible to settle the political questions, said Nagorno-Karabakh's Foreign Minister Arkadiy Gukasyan. In an interview with the Yerevan newspaper AZG, he said he does not think Azerbaijan is ready today for a cease-fire and that the leaders of that republic are unable to abandon the illusion that the Karabakh problem can be settled using force. The Azerbaijani authorities, A. Gukasyan said, hope that military victories will create political conditions, which will act in their favor during subsequent talks. But Azerbaijan's leadership will very soon have to acknowledge the real situation that has taken shape and sit at the talks table with the leaders of the Republic of Nagorno-Karabakh, the minister believes. "I do not rule out that it will be a new Azerbaijani leadership [that sits at the table]," the Karabakh representative said.

The issue is whether they in Azerbaijan can find the strength in themselves to renounce force as a means of settling the conflict, A.Gukasyan said, and since Geydar Aliyev cannot do this, there is a likelihood of developments leading to a change in Azerbaijan's leadership, the Karabakh minister said.

We have to take into consideration the international community, the opinions of various states and organizations, and the norms of international law, the head of Karabakh's Foreign Ministry continued. Karabakh believes that if the fighting on the battlefields can be brought within the framework of a political struggle, then Stepanakert will have the opportunity to present its arguments, which, the people of Karabakh believe, suffice to justify recognition of the independence of the Republic of Nagorno-Karabakh.

A. Gukasyan also said that full peace in the region will only be possible after the issue of Karabakh's status had been settled once and for all. Without this, there will always be the danger that military activities will be resumed, he said. Peace is not possible without settling the issue of Karabakh's status, the minister said.

Georgia

Georgian-Abkhaz Cease-Fire Agreement Signed in Moscow

LD1405165594 Moscow ITAR-TASS World Service in Russian 1610 GMT 14 May 94

[Report by ITAR-TASS]

[Text] Moscow, 14 May—At the Russian Foreign Ministry in Moscow, the Georgian and Abkhazian sides signed today an agreement on a cease-fire and disengagement of forces in the area of the Georgian-Abkhazian conflict, the Russian Foreign Ministry has reported.

The Russian Foreign Ministry reports the Russia Federation Government made a statement regarding the signing of the agreement in which it expressed satisfaction with this important step aimed at ensuring a stable peace.

The statement says the aim of a safety zone which is to be created in line with the agreement and which will be used for the deployment of CIS peacekeeping forces is to help prevent the resumption of military actions and make it possible for refugees to return to their places of permanent residence and, first and foremost, to Gali Rayon.

The Russian Government expressed confidence that the sides in the conflict would strictly follow their commitments. On its part, Russia is aware of its responsibility and it is prepared, jointly with the United Nations, to help achieve a full-scale settlement and to strive towards a situation in which the current stage is followed by new efforts aimed at restoring peace and mutual understanding in the region.

Shevardnadze Envoy Discusses Abkhaz Peace Agreement

LD1605150594

[Editorial Report] Tbilisi Radio Tbilisi Network in Georgian at 0515 GMT on 16 May was intercepted in progress broadcasting a debate between Aleksandre Kavsadze, a senior Georgian negotiator with the Abkhazians, and Deputy Ivliane Khaindrava, one of the leaders of the opposition Republican Party.

At the beginning of the intercept Kavsadze presents a clause-by-clause interpretation of the Georgian-Abkhaz agreement signed in Moscow 14 May. He says that, unlike previous agreements, the only signatories to this deal are the Georgian and Abkhaz sides. The Moscow agreement has not been signed by either Russia or the United Nations, he says, and continues:

"The first article of the cease-fire and disengagement agreement says that the sides bind themselves to stop hostilities and not to use force against each other. This was also mentioned in other documents signed since December last year. However, this time we have an agreement, rather than a statement, a memorandum of understanding, or some other document. It is an agreement signed by two sides—the Georgian and the Abkhaz sides.

"The second article says that the armed forces should be disengaged from each other. It also outlines the disengagement principle. The reason why I am not paying too much attention to the absence of disengagement charts is that only a principle of disengagement was formulated, rather than an entire procedure. Under this principle, the sides are to be separated and the buffer zone is to be filled by a peace-keeping force. That is what the principle is.

"The third article is about who should be deployed and how. It says: The precise marking of the lines of disengagement and a detailed chart for the disengagement of forces is to be drawn up by the sides within the framework of a stage-by-stage full-scale settlement. [Preceeding sentence spoken in Russian] In this connection, a working group is to be formed, which will clarify these issues, draw up a chart, which will show who should be deployed where in order to maintain peace.

"The fourth article outlines in general terms the mandate of this force. The aims and purposes of this peacekeeping force are still to be finalized. Its main function should be to maintain peace and create conditions for the return of refugees.

"The agreement also includes articles five, six, and seven.

"The fifth article says that full-scale negotiations on conflict settlement are to be continued.

"The sixth article requests the UN and its Security Council to renew and broaden the mandate of UN military observers in Abkhazia, so that their involvement can be more active and efficient."

After further remarks which are indistinct owing to poor reception, Kavsadze concludes by saying that this agreement alone only lays the foundation for the return of ethnic Georgian refugees to Abkhazia and that another deal is needed for the actual process to get started.

Shevardnadze: Genuine Basis Emerged for Return of Refugees

LD1605143294 Moscow INTERFAX in English 1327 GMT 16 May 94

[Text] The Georgian leader, Eduard Shevardnadze, has described the agreement to cease-fire and disengage the Georgian and Abkhazian units reached in Moscow on Saturday [14 May] as "genuine foundations for the return of refugees to Abkhazia."

In his traditional interview for Georgian radio given on Mondays Shevardnadze noted that the process of deploying peacekeeping forces in the conflict area "will not be long." A plan for deploying disengagement forces

will be worked out soon, he said. According to Shevardnadze, Russia is playing a particularly active role in this work. The U.N. Security Council and the CIS Collective Security Council will consider the plan in the near future. "I think that we'll get support in both organizations," Shevardnadze said.

With reference to the work of the country's parliament the Georgian leader said that different political forces call for early parliamentary elections. They include the opposition and the party he leads—the Union of Georgian Citizens, he said. "This issue remains open," Shevardnadze said. "My own stand will depend largely on how constructive the parliament's work will be."

The Georgian leader expressed solidarity with the demands of "some sections of society, particularly intellectuals," for strengthening the country's executive authorities.

With reference to the visit to Tbilisi by President Geydar Aliyev of Azerbaijan expected this week, Shevardnadze said that their discussions will focus on the situation in the Caucasus. "A dialogue on the situation in the Caucasus must be constant between the leaders of Georgia, Armenia, Azerbaijan and Russia," he pointed out.

Shevardnadze Answers Criticism of Abkhaz Agreement

LD1605225994 Moscow INTERFAX in English 1406 GMT 16 May 94

[From the "Presidential Bulletin" feature No. 92 (582): Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; Edited by Vladimir Shishlin]

[Text] The head of state Eduard Shevardnadze has turned down the accusations of the opposition which saw encroachments on the territorial integrity of Georgia in the Georgian-Abkhaz agreement signed last Saturday [14 May] in Moscow. He said there is not a word about the sovereignty or state system of Abkhazia in the document.

He said the problem would be resolved later and Abkhazia would get a new political status, but within integral Georgia.

Shevardnadze also denied the speculations of his opponents in parliaments claiming that Russia wants to send its troops to the conflict zone to secure the independence of Abkhazia and its separation from Georgia. He declared that divided Georgia is not in the interests of Russia and expressed confidence that in the near future Abkhazia would be returned.

IF [INTERFAX] Note: At the talks that ended in Moscow on 14 May the Georgian and Abkhaz delegations agreed on the separation of troops and deployment of a CIS peace-keeping force on the confrontation line. Under the agreement, the formations of the two sides should withdraw 12 km from the Inguri river thus forming a 24 km buffer zone that will be occupied by the peace-keepers.

According to a member of the Abkhazian delegation, a special envoy of the chairman of the Abkhaz parliament Andrey Jergenia, Russia troops are most likely to become the separating force. He said that the deployment of the peace-keeping force should be completed by the end of May. There will be a total of 2500 to 3000 peace-keepers. Russian units stationed in Abkhazia will be used among others. Jergenia said the Georgian side insisted on including in the agreement a provision on the patrolling of Kodor canyon in Abkhazia by peace-keepers.

In an interview with local television Shevardnadze also said that if the Georgian delegation had refused to sign the cease-fire agreement in Moscow on which Georgian MP's insisted, it would mean that Georgia was giving up a peaceful settlement and opting for a military solution. Shevardnadze is convinced that Georgia could not afford that either morally or from the viewpoint of its possibilities.

IF Note: The decision of parliament prohibiting the Georgian delegation to sign any documents in Moscow had no legal force because in making it the parliament exceeded its powers. Under acting legislation, the head of state has the right to hold talks and sign any documents on behalf of the country. The powers were given to Shevardnadze by the parliament.

In an interview with INTERFAX the opposition leader Boris Kakubava said that the disregard for the decision of parliament means complete arbitrariness of the authorities. He believes it is impossible to speak of any democracy in Georgia after the binding agreement was signed in Moscow.

Speaking of the essence of the agreement Kakubava declared that it allowed the Abkhazian side to legalize the genocide of Georgians and wrote off thousands of lost lives. He said:"Our organization, the Union for the Liberation of Abkhazia that represents the interests of the overwhelming majority of refugees from Abkhazia cannot agree to that. We have our own road back to Abkhazia."

At the press center of the Georgian Defence Ministry INTERFAX was told that the armed forces will carry out any orders from the head of state and Supreme Commander Eduard Shevardnadze. Troops and military hardware will be withdrawn from the Inguri river and a buffer zone will be formed that will be occupied by a peace-making force, a press center official said.

In a traditional Monday radio interview Shevardnadze called the Moscow agreement a practical foundation for the return of refugees to Abkhazia. He said the process would not be long.

Shevardnadze said a plan of sending a peace-keeping force to the conflict zone is being made which gives an especially active role to Russia. In the nearest future the plan is going to be discussed by the UN Security Council and the CIS Collective Security Council. The Georgian leader hoped for support from both organizations.

Shevardnadze described the activities of parliament as confrontational and said that different political groups are demanding early parliamentary elections. He said the question is raised by the opposition as well as the Union of Georgian Citizens he heads. "The question is open so far. My stand is going to largely depend on the degree of constructiveness of the parliament," Shevardnadze said.

According to the Georgian leader, certain social groups, intellectuals in particular, demand stronger executive power with the purpose of restoring order in the country. Shevardnadze said that today he favors greater toughness and responsibility.

On the coming visit to Tbilisi by the president of Azerbaijan Shevardnadze said that the talks will center mainly around the situation in the Caucasus and ways of resolving local problems as well as bilateral relations which he said are developing perfectly.

"I think that a dialogue on the situation in the Caucasus should become regular between the leaders of Georgia, Armenia, Azerbaijan and Russia," Shevardnadze said.

Abkhazians Bring Criminal Charges Against Shevardnadze

LD1605195394 Tbilisi IBERIA in Georgian 1500 GMT 16 May 94

[Text] Tbilisi, 16 May—The Abkhazian Liberation Union brought an action at the Georgian Supreme Court for instituting criminal proceedings against Eduard Shevardnadze, head of the Georgian state, on the basis of Clause 65 of the Criminal Law of the Republic of Georgia. The clause deals with the betrayal of the country manifested in the fight against the country's territorial integrity and independence. The above-mentioned action was caused by the Georgian delegation's signing of the agreement reached at the Georgian-Abkhaz talks in Moscow.

Abkhazians Said Trying to Wreck Moscow Peace Accords

LD1605165394 Moscow INTERFAX in English 1541 GMT 16 May 94

[Text] The Georgian Defense Ministry press center said Abkhazian separatist detachments on Sunday [15 May] had subjected to heavy fire Georgian positions at Khurcha village in Zugdidi District.

The Georgians did not return fire, the center said. According to the Georgian high command, the attack, which lasted from 1900 till midnight, was an attempt by Georgia's separatist region to wreck the Moscow peace agreements and unleash wide-scale hostilities.

Shevardnadze Meets With Lawmakers of Russian State Duma

LD1605201394 Moscow ITAR-TASS in English 1927 GMT 16 May 94

[Report by GIA for TASS]

[Text] Tbilisi 16 May TASS—Chairman of the Georgian parliament, Eduard Shevardnadze, met with visiting lawmakers of the Russian state Duma, deputy chairman of the Duma Committee for Affairs of the Commonwealth, Vyacheslav Igrunov, and chairman of the Duma Counting Commission, Khachim Karmokov, on Monday [16 May].

The delegation of Russian parliamentarians arrived in Georgia to attend a session of the political committee of the parliamentary assembly for economic cooperation of Black Sea countries. Participants pointed out that they are pinning great hopes on the assembly as another factor of strengthening peace in the world.

The talks between Shevardnadze and the Russian lawmakers focused on Russo-Georgian relations. It was pointed out that the break off of political, economic and cultural ties which traditionally existed between the Russian and the Georgian people runs contrary to their interests. The sides pointed out that considerable efforts should be made to bring these relations to a new level. Prerequisites for this have been created by documents signed by the Russian president and the Georgian leader in Tbilisi. Parliamentarins of the two countries should consider the documents with a great sense of responsibility and ratify them in time, the sides said. In this connection, both sides expressed an intention to step up contacts between Russian and Georgian parliamentarians.

The meeting was attended by the Russian ambassador to Georgia, Vladimir Zemskiy.

Russia's Pastukhov on Georgia Peacekeeping Issues

LD1605202694 Moscow INTERFAX in English 1741 GMT 16 May 94

[Text] It will be impossible to ensure a ceasefire and return of refugees without the introduction of CIS peacekeeping forces to the zone of the Georgian-Abkhazian conflict. This was stated by Russian presidential envoy, Deputy Russian Foreign Minister Boris Pastukhov in an interview with INTERFAX today.

Pastukhov suggested that the talks between Georgian and Abkhazian representatives, which finished in Moscow on 14 May had been "absolutely necessary." The talks showed that the parties were "moving towards a dialogue and their permanent contacts were of great importance," he added.

Pastukhov highly praised the Georgian-Abkhazian documents signed in Moscow. They include the agreement on ceasefire, separation of the troops, deployment of the CIS peacekeeping contingency between the conflicting parties and the establishment of a joint coordinating commission on energy supply, transport communications, etc. The commission will have its permanent seat in Sochi from 1 June. "The most valuable thing about this commission is that the parties will always be looking into the faces of each other and openly discussing what worries them," Pastukhov underlined.

Commenting on the deployment of CIS peacekeeping forces on the Inguri River, he emphasized that details of the operation must still be worked on. "The CIS heads of state will express their opinion on the operation. Thereafter, the plan will be discussed with the conflicting parties. We take as our basis an initial number of about 3,000 people for the peacekeeping forces," Pastukhov said.

He stressed that the issue on CIS peacekeepers had been worked on during numerous consultations with the UN and the CSCE. "We hope that the peacekeeping operation itself will be carried out with the active participation of international observers in the conflict zone. It will probably be reasonable to widen their mandate and to increase their number," Pastukhov suggested.

He said the Russian party was quietly optimistic on implementation of the peacekeeping operation in Abkhazia. "Earlier, we had also had rather strong decisions which unfortunately were never carried out. It is necessary to say less and to do more," Pastukhov accentuated.

He announced that Georgian and Abkhazian representatives would meet in Geneva on 13 June in order to work out solutions with which everyone would be satisfied.

Black Sea Countries Start Meeting in Tbilisi

LD1605152694 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 16 May 94

[Text] Today, the parliamentary assembly for economic cooperation among Black Sea countries held its third session devoted to legal and political issues. The session, which took place at the Metechi Hotel in Tbilisi, was attended by all the countries of the Black Sea basin.

The speaker of the Georgian parliament, Vakhtang Goguadze, opened the session. Head of State Eduard Shevardnadze made a speech.

The session will continue tomorrow.

Estonia

Government: Grachev Comment Explained as 'Misunderstanding'

LD1305123994 Tallinn Radio Tallinn Network in Estonian 1200 GMT 13 May 94

[Text] The Russian Foreign Ministry has informed the British Foreign Office that the 6 May statement by Russian Defense Minister Pavel Grachev amounts to a misunderstanding. This is what Estonian Government Press Secretary Ain Saarna told journalists today. According to INTERFAX, Russian Defense Minister Pavel Grachev stated at a press conference on 6 May that 2,500 Russian servicemen will stay in Estonia so long as the issue of the Russian military pensioners is not resolved. As is known, both President Lennart Meri and Prime Minister Mart Laar have reacted to this statement.

Russian Journalists Interview Meri

LD1205173894 Moscow INTERFAX in English 1333 GMT 12 May 94

["Exclusive" Report No. 19 of 12 May 1994]

[Text] At the end of April the Estonian President Lennart Meri received at Kadriorg Palace in Tallinn a group of Russian journalists invited to Estonia by the Foreign Ministry. During the meeting the president answered questions from Aleksandras Budris and Boris Grishchenko of INTERFAX.

Corr.: Mr. President, what do you think of the present state of Estonian-Russian relations?

Lennart Meri: Thank God, the bitterness, the sense of insult which Estonians felt for Russia are disappearing. I think that the psychologically most difficult period in our relations was in 1988-89 when the local Russian community found itself in an absolutely new position.

Russians in Estonia, mostly unconsciously, considered themselves proponents of state policies, kulturtregers [as received] in a way. It was insulting for us to hear that before occupation Estonia was an illiterate country. Such were the convictions of persons who knew little even about Russian culture and history. They would work for five years on the Baykal-Amur railway, then for five years somewhere in West Siberia. They did not take root anywhere as they were always after big money. They never cared about the state in which they left the places which they "developed," as it was said in those days.

The rapid change of the past few years took many people unawares. I am very glad that our northern coolness never gave cause for real clashes. The well-organized rallies of Estonians served as a model for the meetings of the Russian community. I am satisfied with the fact that in Estonia we can speak calmly, in a civilized manner of the problems that naturally exist now.

However, two years ago I was more optimistic in this respect. I thought that all the existing problems could be resolved in a peaceful and friendly way, even the ones inherited from the criminal agreements between Stalin and Hitler. I believed that we could disregard the past and switch to normal relations.

It so happens that there has never been hatred or prejudice between us in our history. The relations were quite good and normal. In the Middle Ages old believers persecuted in Russia always found refuge in Estonia and could peacefully follow their religious canons. We want the same today. These aspirations are not shared by everyone in Russia or Estonia, because the extremism on one side always arouses extremism on the other.

We are realistic enough, though, to realize that Russia will always remain our closest neighbor. And from our common past we would want to keep the positive, not negative experience. Here we could recall the influence St. Petersburg, which was a leading center of European culture, had on Estonia. The cultural ties between Tallinn and St. Petersburg remain strong.

Corr.: Are you satisfied with Estonian-Russian talks? How do you think they could be stepped up and channelled to concrete decisions?

L.M.: I cannot say that I am satisfied with the state of Russian-Estonian negotiations. The recent 18th round marked the second anniversary of the process. Naturally we would want to advance much faster.

I get the impression that if for two years delegations are arguing about details, it becomes natural to go deeper and deeper and get submerged under these details. There is the danger of losing the most important in these arguments - the purpose for which we are negotiating.

I think that my meeting with President Yeltsin could break this vicious circle. Both sides can openly speak of their willingness to establish not simply neighborly but friendly relations in all spheres beginning with the economy and ending with culture.

Corr.: Do you have direct contacts with Yeltsin?

L.M.: We exchange letters. This does not mean, of course, that a postman knocks on my door. It is usually the Russian ambassador who brings me messages from Boris Yeltsin.

Corr.: Lately there has been talk in Estonian political circles about the need to invite Finland as a mediator to Russian-Estonian negotiations. What is your opinion of the proposal?

L.M.: I welcome any step that would improve relations between Estonia and Russia. I think the mediation of an experienced politician, the President of Finland Martti Ahtisaari, could to a certain extent disperse the depressing atmosphere at the talks. I want to repeat that for two years despite regular meetings the delegations have made virtually no progress.

Martti Ahtisaari has declared that if Russia and Estonia wish so, he is ready to try to use his ample experience of working with the United Nations. I know that President Ahtisaari is closely linked with the UN. I do not doubt that the organization will also help us in this respect.

I would like to remark that the withdrawal of troops from Estonia and Latvia would benefit Russia itself. I am convinced that after the withdrawal economic relations between our two countries will grow more active. And this means that we are speaking of mutual benefit, not a victory of one side over the other.

Estonia is a small country but it is also capable of benefitting such a continent as Russia. Take for example, our geographical location, our good sea ports. Can one say today that the port of Rotterdam belongs to just one country? It belongs to the whole of Europe and serves many countries. Hence the Swiss, the Hungarians or the Austrians will never think of conquering it in order to break a window into Europe.

There remains a strong tendency of thinking in 19th century categories in Russia. Estonia wants this stage to end and see Russia as a modern European nation get down to finding spheres of active cooperation with both big and small countries. I am sure that this time is slowly but steadily approaching.

Corr.: What do you think of the differences between Estonia and Russia on the border problem?

L.M.: I will try to give a very cautious answer to this important question. In 1940 the border between Russia and Estonia was absolutely different and it was drawn in keeping with the treaty signed in 1920 in our university town Tartu. (The town was founded in the 11th century by the Russian Grand Prince Yaroslav the Wise and was part of Russia for almost 900 years—INTERFAX.) The borderline was to the east of the present one.

However, "the father of nations" Josef Jugashvili (Stalin) with an arbitrary hand took away part of Estonian territory in 1944. The territory that went to Russia was very small—approximately 5 percent of Estonia. It is even smaller on the Russian scale. Still it is of great emotional significance for Estonians.

It might sound strange but the collection of folklore in Estonia is a kind of a national sport. That area which is called Setumaa after the Setu people living is a treasure-box of folklore. I can compare it with Central Karelia where Finnish folklore experts collected the most colorful parts of the Finnish national epic "Kalevala."

We know that in modern Europe borders are a very delicate matter. It is like Pandora's box, which is probably best left closed. This constitutes a sphere in which we should look for and find a reasonable compromise.

It is possible to simply put off the matter for five or ten years finding some civilized solution to keep a normal border, not an iron curtain.

The border should equally protect Estonia and Russia from criminals, smugglers, drug and arms trade, from everything that can provoke a conflict. It should be a good filter and assume European nature.

Corr.: How do you think the problems of non-Estonians, non-citizens can be resolved?

L.M.: I do not think the question should be resolved by politicians. The choice of citizenship is the right and duty of each concrete person. It is a very intimate decision. Let every person decide which country his heart longs for.

Probably we have failed to explain in simple and friendly words how the problems should be tackled. There have also been mistakes on the other side. Some Russian politicians thought that they have the right to act as guardians and speak on behalf of Russians, Ukrainians, Georgians living in Estonia. This aroused mixed feelings among those people—Georgians, Kazakhs, Ukrainians as well as Russians many of whom are descendants of Estonian citizens and have no problems with getting full citizenship now.

Many Russians are quite loyal to Estonia even though we have not reached the stable atmosphere that was inherent in pre-war Estonia where even frontdoors were not locked up.

I could compare this big group of people to a column the beginning of which clearly knows the direction while the people in the tail are doubtful: what should be done?

All these are practical difficulties. They can and probably have aroused bewilderment. I think it is an open secret that Estonian bureaucracy is no better than Russian. The comparatively simple matters that could have been resolved two years ago took the bureaucrats unawares as always.

When it is said that non-Estonians in Estonia should defend their rights, I ask: what particular rights? Our opponents find it difficult to answer the question, this is even more difficult for us. It is good that our northern placidity has allowed to keep the debate peaceful and civilized.

Corr.: What do you think of the role of NATO in the world today?

L.M.: For decades Europe was divided by the Berlin wall. NATO, "an instrument of treacherous imperialists for capturing the Soviet Union," was on one side of the wall, the Warsaw Treaty Organization existed on the other "to rebuff the treacherous imperialists."

Then one fine day the wall disappeared. The peoples that used to be under the iron fist of the Soviet aggressive policy restored their independence. But NATO remained and has no enemies now. Naturally in this fundamentally different world the North Atlantic Treaty Organization wondered about its mission. I think it should become a parallel body of the United Nations.

NATO does not have adversaries, except seats of instability, that might grow into sources of major international conflicts. In other words, the alliance has transformed from a military bloc into a kind of a fire brigade. It acts in a disciplined and coordinated way. Its might is not directed against anyone, it is meant to protect international stability. That is why our attitude to NATO is quite trusting.

Estonia, Latvia, and Lithuania can set up a peacemaking battalion together. The tragedy of Yugoslavia has proved once again that a peaceful Europe where human rights are truly guaranteed and social problems are resolved step by step is being born in pain.

Prime Minister Returns From UK Visit

WS1305145994 Tallinn BNS in English 1319 GMT 13 May 94

[Text] Tallinn, 13 May, BNS—Prime Minister Mart Laar returned Thursday [12 May] night from a working visit to the United Kingdom. During the visit Laar and Foreign Secretary Douglas Hurd signed intergovernmental agreements on reciprocal promotion and protection of investments and on avoidance of double taxation and prevention of tax evasion.

Government spokesman Ain Saarna told reporters Hurd emphasized at the meeting with the Estonian premier that Russian troops must pull out from Estonia without setting extra conditions. Other subjects Laar and Hurd touched upon were Estonia's prospective European Union membership, defense cooperation between the two countries, and purchasing equipment for the Estonian border guard.

President of the European Bank for Reconstruction and Development Jacques de Larosiere hosted Thursday a luncheon in honor of the Estonian premier. The two reached agreement in principle on setting up risk capital and trade development capital funds for Estonia. Laar had yesterday a meeting also with the British Industry Confederation.

While staying in Great Britain, Laar received a letter from Prime Minister John Major expressing his country's firm support for Estonia's integration into European structures and for the demand that Russian troops be withdrawn from Estonia by 31 August 1994.

The Estonian premier met also with Minister of State Douglas Hogg. Saarna said Hogg, too, stated that he supports unconditional withdrawal of Russian troops and Estonia's integration into Europe.

Trade Union Chairman Voices 'Amazement' Over Laar Statement

WS1605105794 Tallinn ETA in English 0856 GMT 16 May 94

[From 16 May HOMMIKULEHT, p. 3; "News Bulletin" No. 93/94]

[Text] Chairman of the Trade Unions Central League Raivo Paavo expressed his "amazement" at some claims of Prime Minister Mart Laar made in London last week.

Laar was quoted as saying that the government should sell everything possible to private owners, irrespective of price. The premier also allegedly claimed that granting excessive rights to the trade unions may threaten the state's economy.

Paavo pointed out that such claims could be made by a right-wing politician, but not "a prime minister of a democratic state, a leader of a coalition government which includes Social Democrats." He also pointed out that the premier's statements contradict the Estonian law on privatisation which stipulates profitable sale of state property. As for the rights of the trade unions, Paavo stressed that the Estonian trade unions obey the Estonian laws as well as the conventions of the International Labour Organisation, ratified by the Riigikogu [parliament].

Foreign Minister Signs Human Rights Convention 11 May

WS1605113094 Tallinn ETA in English 1611 GMT 13 May 94

["News Release"]

[Text] Estonian Foreign Minister Juri Luik signed, together with Council of Europe member states foreign ministers, in Strasbourg, on Wednesday [11 May], European Human Rights Convention 11th protocol, spokeswoman of the Ministry Mari-Ann Rikken told a press conference on Friday [13 May]. The protocol prescribes foundation of a permanent European Human Rights Court, which would receive complaints from persons, groups of persons, non-governmental organisations and states. The Court includes one judge, elected for six years, from each Council of Europe member state.

The protocol comes into force after ratification. Estonia, however, has to ratify the convention and its first 10 protocols first.

Views European Visit, WEU Associate Status

WS1605110394 Tallinn ETA in English 0856 GMT 16 May 94

[From 14 May PAHAPAEVALEHT, RAHVA HAAL, HOMMIKULEHT, pp 6, 1, 3; "News Bulletin" No. 93/94]

[Text] Foreign Minister Juri Luik held a news conference on Friday [13 May], describing his visits to Warsaw, Brussels, and Luxembourg last week.

The admission of the Baltic states in the Western European Union [WEU] as associated members is a clear sign that the European Union considers them its future members, Luik told the news conference. He stressed that the decision had been made at the initiative of the

French and German foreign ministers, although the associate membership agreements are to be concluded in the autumn only. The foreign minister added that the WEU is an increasingly defence-oriented organisation, whose membership will increase the security of the Baltic states.

Most European states demand the withdrawal of the Russian forces by 31 August Luik went on. He stressed that support to the claim had been expressed by Polish Foreign Minister Andrzej Olechowski and the representatives of the Council of Europe Committee of Ministers at the Strasbourg session of the committee.

The Polish foreign minister also recommended that the Baltic leaders should take advantage of President Clinton's visit to Poland in July and meet the U.S. President.

Luik also mentioned the hope of Russian Ambassador Aleksandr Trofimov that Russian Foreign Minister Andrey Kozyrev will attend the meeting of the Baltic Sea countries' foreign ministers meeting in Tallinn on 24-25 May.

Minister Continues Israeli Visit, Notes Additional Projects

WS1605112994 Tallinn ETA in English 0856 GMT 16 May 94

[From 14 May HOMMIKULEHT, p. 3, 16 May RAHVA HAAL, p. 1; "News Bulletin" No. 93/94]

[Text] Further defence projects with Israel are possible, Defence Minister Indrek Kannik announced in a telephone interview during his visit to Israel.

Kannik announced that the Israeli company "El-Bit" has expressed its interest in participating the contest for suppliers of radar and surveillance systems for the border guard. The Israel Aircraft Industries had mentioned possible supply of aircraft, but Kannik stressed that both military and financial aspects of the issue must be considered, due to Estonia's limited resources.

The company TAAS Israel Industries had expressed its interest in the privatisation of the Estonian electronics factory Tarkom in order to organise the production of telephones there. Kannik also hoped that an agreement could be made, enabling to replace the unusable weapons by fit ones. The Estonian General Headquarters will have to present a list of equipment that needs to be replaced, Kannik said.

Kannik met Israeli Prime Minister Yitzhaq Rabin on Friday [13 May] and discussed mostly general political issues, including the Estonian-Russian negotiations.

Kannik Returns After Visits Abroad

LD1605173894 Moscow INTERFAX in English 1541 GMT 16 May 94

[Text] Estonia does not intend to purchase significant amount of weaponry in the near future. This was stated by Estonian Foreign Minister Indrek Kannik [title as received] at the airport today after his return from Israel.

During a week-long trip he had also visited Luxembourg and France.

Kannik announced that Estonia needed electronic systems for surveillance over its marine and land borders in order to ensure its security. This issue was discussed during his visit to Israel on the invitation of Israeli Prime Minister Yitzhak Rabin.

France, Italy, and Sweden have also proposed that Estonia purchase their radio radar equipment.

Kannik said a special working commission would make the final decision on the issue. However, the seller state will have to allot the appropriate credit to Estonia since its budget situation provided for no direct deal.

Kannik stressed that in any case this would not be such a big contract as that of the last year concluded with the Taas Israeli company, which had sold to Estonia weaponry costing a total $49 million.

Kannik repeated that Estonia, Latvia, and Lithuania had been given associated partner status in the Western European Union at the meeting of the defense and foreign ministers of this organization in Luxembourg. Kannik emphasized that on this issue the Western European Union made no difference between the Baltic states and Hungary, Poland, the Czech Republic, and Slovakia.

Speaking on his visit to France, Kannik pointed to the agreement on cooperation between the French and Estonian defense ministers signed in Paris.

Official Notes Importance of Document Signed at Assembly

LD1605134894 Tallinn Radio Tallinn Network in Estonian 1700 GMT 15 May 94

[Excerpts] Tonu Kaljumae will now report about the Baltic Assembly's sitting, which has ended in Jurmala.

[Begin Kaljumae recording] Today the fourth session of the Baltic Assembly ended in Jurmala. A whole string of documents were prepared in the course of three days and today Estonian, Latvian, and Lithuanian representatives signed them. Ulo Nugis, the Estonian delegation's leader, which of the adopted documents—and there are about a dozen of them—is the most important in your view?

[Nugis] I would not underestimate any of them, but it seems to me personally that the most important documents are to do with the topical political issues, in

particular relations with Russia and the Russian troop withdrawal. I would rate the Baltic Assembly's statement as number one, on the Russian Federation's statements of pressure on the Baltic states. In essence, let us say, it amounts to support from two Baltic countries—Latvia and Lithuania—to Estonia. Its preamble states clearly that the Russian defense minister has threatened Estonia with additional troops, and the Baltic Assembly states that, both at present and in the future, threats or exertions of pressure to any one Baltic state, whichever form they take, will be viewed as a threat to the security of all three Baltic states. [passage omitted] [end recording]

World Bank Delegation Arrives in Tallinn for Talks

LD1605124494 Moscow INTERFAX in English 1051 GMT 16 May 94

[Text] A World Bank (WB) delegation has arrived in Tallinn for talks to discuss the terms of a 20-million-U.S.-dollar aid package to Estonia.

The visit is the fourth and probably the last one of its kind before a final decision on the loan is taken, WB representative in Tallinn Hillar Lauri told INTERFAX. The money to be allocated to the Estonian Government is to be later distributed among commercial banks.

The agreement on the 15-year loan at an annual 7.43 percent rate is to be ratified by the State Assembly, Estonian parliament.

The fund is intended to help local banks build up their basic assets and provide long-term credits to enterprises.

Lauri stressed that an increase in basic assets of the commercial banks will enable them to grant long-term credits to local plants and by definition, speed up economic stabilization.

At this point the country has 22 commercial banks. A minimal ceiling of 15 million Eesti Kroones (8 Kroones equal DM [German marks 1]) has been set up to help create new banks. This is to be increased by 10 million Kroones annually in the next two years. As a long-range prospect, the minimal ceiling is to be raised to 75 million Kroones which is a minimum that the European Union set up for private banks.

Earlier, Estonia borrowed $30 million from the World Bank to help reorganize its economy.

Bank Reports 100-Million-Kroon Increase in Deposits in Apr

WS1305141994 Tallinn BNS in English 0908 GMT 13 May 94

[Text] Tallinn, 13 May, BNS—The balance sheet of the North Estonian Bank for April shows that the volume of deposits grew in one month from 452.5 million to 560.8 million kroons or by more than 100 million kroons.

Most of the money was placed in demand deposits. The bank completed in March and April sanitization of its loan portfolio and weeded out all bad loans. The loan portfolio grew last month by almost 8 percent amounting to 307.4 million kroons.

The account of the North Estonian Bank in the Bank of Estonia contained over 150 million kroons most of which was used for extending overnight loans. The bank extended in April a total of nearly 700 million kroons in loans to other banks, which made it one of Estonia's major lenders.

The bank's solvency last month was 9.32 percent, liquidity 58.11 percent, and risk concentration 423 percent.

The balance volume of the North Estonian Bank amounted to 950.63 million kroons, which placed it among the top five Estonian banks. Its capital stock stands at 43 million kroons.

Slezevicius Names 5 New Candidates for Ministerial Posts

WS1305150194 Tallinn BNS in English 1319 GMT 13 May 94

[Text] Vilnius, 13 May, BNS—Lithuanian Prime Minister Adolfas Slezevicius on Thursday [12 May] named five candidates for ministers of economics, forestry, environment protection, culture, and education.

The candidacies were reportedly submitted to President Algirdas Brazauskas for consideration.

The premier proposed the social and economic policy adviser to the president, Aleksandras Vasiliauskas, to fill the vacant post of economics minister, and nominated the director of the Dubrava Forestry Research Institute, Albertas Vasiliauskas, for the post of forestry minister.

Three other nominations are related to the law on government, which is likely to be adopted next week. The government law provides for 18 ministries instead of the present 16.

Slezevicius proposed the deputy director general of the Environment Protection Department, Bronius Bradauskas, to head the new Environment Protection Ministry.

According to the law on government, the Ministry of Education and Culture would be divided into two separate ministries. Dainius Trinkunas, who now heads the ministry, announced his intention to resign. The director general of the Vilnius Philharmonic, Gintautas Kevisas, was nominated for minister of culture. The post of education minister has been offered to the head of the Pedagogics and Psychology Department of the Kaunas Physical Culture Institute, Kestutis Miskinis.

Latvia

Russian Military Ship Withdrawal Set for 1 Jun

WS1305145194 Riga LETA in English 1145 GMT 13 May 94

[Text] Riga, 13 May (LETA)—On Thursday [12 May] Latvian Prime Minister Valdis Birkavs received the Russian Ambassador, Alexander Rannikh, who presented a fixed timetable for the Russian troop withdrawal from Latvia. During the handover of the document the Deputy Commander of Western Military Group Fedor Melnichuk, the Commander of the Latvian defence forces, Dainis Turlais, and other officials were present.

Under the document Russia pledges to withdraw all military ships from Liepaja and Ventspils by 1 June. However, as the Latvian premier stated after having viewed the timetable, the document is a detailed variant of the previous one handed over earlier and indicates 14 military units whose presence Latvia was not aware of. The agreement provides that Russia must present a full timetable of its forces pullout which is to be accomplished in June under the agreements signed in Moscow.

Speaking on whether the Russian Army will be withdrawn earlier than by 31 August, Birkavs said that the new timetable indicates only this date as a deadline, although Mr. Melnichuk reminded during the talk that Russian President Boris Yeltsin has instructed Minister of Defence Pavel Grachev to speed up the process. All issues concerning troop withdrawal will be discussed at the special government session on Friday where commissioners for the control over the Latvian-Russian withdrawal agreements were confirmed.

The prime minister highlighted unpleasant news reported from the firing ground in Adazi, whose installations were destroyed and plundered. This incident will be specially discussed with the commandment of the north-western military group.

Premier To Head Army Withdrawal Commission

LD1305161394 Riga Radio Riga Network in Latvian 1500 GMT 13 May 94

[Text] At an extraordinary Latvian Government session today, Dainis Turlais, commander of the Latvian Defense Forces, was appointed Latvian plenipotentiary for settling issues related to the withdrawal of the Russian armed forces. According to the government press center, Turlais will also be a Latvian representative in the Latvian-Russian commission, which will tackle problems arising in the course of the implementation of the interstate agreement as well as controversial issues related to handing over, taking over, and marketing real estate and movable assets belonging to the Russian armed forces.

The government appointed Latvian Prime Minister Valdis Birkavs to head the Latvian Government commission for control over the implementation of the above-mentioned agreement. Aivars Vovers, deputy secretary of state at the Latvian Foreign Ministry for eastern affairs, deputy head of the Latvian delegation for talks with Russia, was appointed Latvian plenipotentiary at the Skrunda radar station.

Russian Premier To Visit 'Before End of May'

PM1305172994 Moscow ROSSIYSKIYE VESTI in Russian 14 May 94 p 1

[Untitled INTERFAX report under the "Visits" rubric]

[Text] Russian Prime Minister Viktor Chernomyrdin's visit to Latvia is to take place before the end of May. This opinion was expressed in the course of a conversation in Riga between Latvian President Guntis Ulmanis and Aleksandr Rannikh, Russian ambassador extraordinary and plenipotentiary to Latvia, INTERFAX was told in the office of the Latvian president.

Prime Minister Birkavs Begins Visit to Finland 15 May

WS1605132694 Riga LETA in English 1230 GMT 16 May 94

[Text] Riga, 16 May, LETA—On Sunday [15 May] Prime Minister Valdis Birkavs travelled to Finland for an official visit. The governmental information agency reports that the visit includes talks with Finnish Premier Esko Aho on economic cooperation of both states, cooperation between the Latvian and Finnish police, custom and frontier security services. The discussion also involves regional issues. The head of the Latvian Government will also meet with the president of Finland.

On Wednesday Birkavs will return to Riga.

Interview With President Ulmanis

WS1605133094 Riga DIENA in Latvian 5 May 94 p 2

[Interview with Latvian President Guntis Ulmanis by Sarmite Elerte, Ainars Dimants and Aivars Ozolins; place and date not given: "Somebody Has To Lead the Team Forward"]

[Excerpts] [Elerte] After your and Mr. Birkavs' press conference, at the end of last week, it was quite clear that you are pretty sure that Russia will admit the fact of occupation, as well as that Russia will comply with the concluded agreements. What makes you feel so positive about this? To what extent is this a concept conveyed by Yeltsin, Gratchev, and Kozyrev? Are there any democratic forces in Russia's background?

[Ulmanis] Mr. Birkavs gave a very precise answer at the press conference: The only thing one can be absolutely sure of is death. I could answer any question connected with Russia in the same way. Consequence in the realm of politics deals with the same kind of question.

I went to Moscow with the idea that President Yeltsin would talk to us for 20 minutes and then turn his back and walk away, and all the rest would be settled through the ordinary bureaucratic system—as has happened to many country leaders who have visited him. Russian officials

themselves warned us: Do not get annoyed should talks turn out to be very brief, and the rest is carried out by clerks. However, an hour passed, then another, then a third, and Yeltsin did not show any signs of withdrawing. He did not look tired and did not avoid any of my questions. I asked him all the questions I had in mind: Concerning the occupation, and the repressions, and Karlis Ulmanis [Latvia's last prewar president, grand-uncle of Guntis Ulmanis], and the KGB. The only question we never mentioned was human rights. He was in an extremely creative and rational mood. At first, I thought we would talk tete-a-tete, but later we asked our assistants to be present, so that he could instantly issue orders concerning all matters brought up by me—on 'chekist' archives, on the grave of Karlis Ulmanis, on admitting to Stalin's repressions in 1940 and 1949.

[Elerte] Also on admitting to the 1940 occupation?

[Ulmanis] Concerning the occupation—as you roughly mentioned—we both left this topic for another time. I had the feeling that we had already achieved much, and that this was enough for the present, otherwise the tension would have become too strong. It might have harmed what we had already gained. Yeltsin talked extensively about the tragedy of the Russian people, and he definitely condemned imperial thinking. On my way to Moscow, I was prepared for their imperial way of thinking, and for having to point out that Latvia is an independent state. But no, on his own initiative, he declared that Russia endeavors to do its best to eliminate imperial thinking. Although, he said he was not absolutely sure whether they will succeed. Russia is tired of internal fighting. He told me about Bashkiria, Tatarstan, about other autonomous states. He said: It is all very well that you have regained your independence, and we do wish to withdraw from this region as quickly as possible, and to settle this issue between us.

This might be a diplomatic game in part. We should take energetic and pragmatic action immediately, so that what was said by us would not fade into emotional memories. In any case, I do not have any illusions that the most difficult matters are already completed. The most difficult part is still ahead of us. This was only the first time that we undertook to form a new relationship with Russia, and that Russia spoke frankly with Latvia.

[Dimants] What is your opinion regarding Russia's next move concerning admitting to the 1940 occupation? When will Yeltsin's official announcement regarding this issue take place?

[Ulmanis] My wish is that admitting to the occupation would be expressed in actual support of Latvia's sovereignty—that the Army would be withdrawn, and that the situation with the military personnel would become stable. As soon as Russia will prove through its actions that it respects us as a sovereign state, and will cease its ideological pressure on Latvia, then admitting to the 1940 occupation will follow as a natural result of eliminating the consequences of the occupation. By the way, one of Yeltsin's promises was that the Russian side—as much as it will be possible to stop the propaganda machinery—will not throw any more dirt on Latvia; the television, press, and embassies abroad cannot continue to refer to Latvia at every possible occasion as a virtually semi-fascist state.

I feel an internal contradiction while talking to Yeltsin, because I realize they are struggling to build a new country, with a new mentality, trying to free themselves of the heritage of the Soviet Union and of Soviet Russia. While they are building something totally new, I would be telling them at the same time: This something new is not sufficient; you should first admit to the occupation by the USSR! In private conversations, they do admit it. But on the state level—we still have work to do.

[Dimants] But who admits it? Yeltsin or, as you stated at the press conference, in talks with others?

[Ulmanis] Look, I cannot be incorrect toward persons with whom I held confidential talks. They said: There are no doubts, that is how it was. But as soon as we speak on an official level, they are not ready to admit it. Now, I cannot declare openly that they have admitted the occupation, because if I did so, they would be forced to deny it, due to their internal situation. I should have given myself the benefit of the doubt. When one has met and talked so much on such a level, about one third of the contents of what was said should be kept to oneself, for further work in the future. In due time, it will develop and become public.

[Dimants] At the press conference you stated that in the near future there could be a change expected in this regard. What did you mean by that?

[Ulmanis] Yes, we spoke about it—if everything will go smoothly with the withdrawal of the army. Also the European processes are very important. Both Yeltsin and I touched upon the NATO issue. He is thinking and having doubts. We looked at each other in such a way—how would we look as partners in the framework of NATO. Probably it seemed somehow strange to him to imagine me as his partner in NATO, because I do not possess a single tank or a decent airplane, whereas he has plenty of them.

I came to two conclusions. First, we did the right thing by not delaying our meeting with Russia. Second, it is essential that Russia preserve its standpoint for the time being while the baby born during our talks has time to grow up.

I must have confidence, because somebody has to lead the team forward. The result of the battle might not be known even to the commander, but he still believes that he will win. I also believe that I shall win. When I was leaving for Moscow, I was feeling bad, but now I am determined not to quit the process which I have begun, because I have the inner conviction that the current year will be crucial for Latvia. Let us not make guesses as to whether Yeltsin will stay or not. After meeting with him, I am sure that neither Zhirinovskiy nor Rutskoy will ever take his place. For the time being, the Kremlin is ruled by reasonable people.

[Ozolins] Did you get any feeling as to who could replace Yeltsin, should he leave his post?

[Ulmanis] Yeltsin looked so firm the thought never for a moment occurred to me.

[Dimants] You mentioned you were also discussing issues concerning Europe and NATO. Did you feel any discouraging attitude toward Latvia's integration into Europe?

[Ulmanis] No. This was a separate question I was constantly analyzing— if there were any hidden meanings. But I did not notice any. Naturally, before my trip, I had read many memoirs about visits to Russia in the 1930's and 1940's by our envoys. And I wondered if I shall be met with the same cunning and false politeness, and if in the end I shall be the loser. But I understood that they have many more difficult and serious problems, that the elite that currently holds power in Russia, is busy with different problems. Therefore, I thought: In the meantime, while they are occupied with other problems, we should take advantage of the moment to stabilize our position. Maybe a year from now they will say that they overlooked something. Kozyrev seemed to be quite indifferent when we talked to him. I did not feel that he was hiding some tactical maneuvers up his sleeve. Of course, it might have been a stalling tactic. But if it really was, then we must work with much greater intensity.

[Ozolins] You talked with Mr. Yeltsin about his possible visit to Riga...

[Ulmanis] He spoke about it very cordially, recalling his pleasant memories of Riga and Jurmala [seaside resort in Latvia].

[Ozolins] But was it his idea?

[Ulmanis] When the conversation drifted to more lyrical topics, we talked about his previous visits to Latvia. I had to convey to him regards from Mr. Gorbunovs, who was his host at the time. Yeltsin remembered very well his stay in Jurmala and Riga. By the way, he said he would be pleased to have a rest there again.

[Ozolins] Do you foresee that during his visit to Riga, if it took place for instance next summer or at any other convenient time, Yeltsin would officially, from the rostrum—just like he did in Hungary and in Poland—let us say in front of the Saeima [parliament], condemn the 1940 occupation?

[Ulmanis] Maybe, we shall keep this in mind. We would welcome it. I have already been thinking of what you suggested. At present, I am preparing a letter to Yeltsin. At first, I thought it would be the usual letter of gratitude after a visit. We shall prepare it as such, but, with a prospect for the future, we shall emphasize the idea of another possible meeting when a deeper moral vindication could take place. As you see, I do not abandon this thought.

[Ozolins] To the last moment, Mr. Birkavs maintained that he will definitely not go to Moscow, but in the end he decided to accompany you. Was it perhaps a violation of diplomatic protocol in some way?

[Ulmanis] No. International agreements, attributed to a foreign army, can be signed, without the authorization of the Saeima, by three people—the state president, the prime minister, and the minister of foreign affairs. The minister of foreign affairs was "buried" one day before our journey. By means of the "sacks" [KGB archives] the foreign minister was practically excluded from the game. If it was not formulated in the draft decision—to give the president the powers to sign—I could sign without any doubt, because in principle I do not need any authorization. But the Saeima rejected this authorization in general, because there was no quorum.

I could take a risk. But then a group of lawyers arrived from the the Saeima and said: Mr. President, you may take the risk, but then there will be a Constitutional Court, and we shall claim your signature on the documents was illegal. We decided with Birkavs that we shall not undertake any risky decisions. At the same time, if we wanted to sign the first document we needed the signature of the Russian president. In addition, according to the Latvian Constitution, the president can sign any document, if it is countersigned by the government, because the Constitution does not foresee political responsibility on the side of the president.

Actually, it is not important, who signed the documents. The game is now being played on a new level, where the president and the government together are bearing responsibility for the processes that are developing in connection with the agreements. Both Birkavs and I do not stress who signed which agreement. This is now a team game. We are not having any further discussions because the responsibility is taken on by the entire team.

[Ozolins] I understand this, but all the same it looked a bit strange that on behalf of Russia the agreements were signed not by Prime Minister Chernomyrdin, but by his First Deputy Soskovec.

[Ulmanis] Chernomyrdin had departed for Orenburg. Russia is a big country, and such trips are planned long in advance. Mr. Yeltsin said to me—if the first deputy does not suit you, we can postpone all this for a few days and ask Chernomyrdin to come, he has no hidden agendas. Actually, the document was signed by the Russian Cabinet of Ministers. To exclude any possible doubts, Yeltsin said: Chernomyrdin will certainly come to your country and sign all other economic agreements. The prognostics can vary. Time will show, why they were so correct, so composed, and so calm.

[Elerte] How do you assess the possibility of regaining the missing KGB archives, which was also discussed during the Moscow talks?

[Ulmanis] Yeltsin put it this way: We have returned such documents to Poland, and Hungary, and there is no reason why we should not return them to you. This is what he said, but we do not know, what the Russian middle level is thinking. Maybe they are plotting something, and maybe it is in their interest to keep certain parts of the documents. There are opinions, that the most important documents are being kept in Moscow. In the next few days I shall get in touch with Mr. Skrastins [Latvian General Prosecutor],

who on his part will get in touch with the Russian General Prosecutor. I think Yeltsin has already given orders to the Ministry of Internal Affairs and other ministries connected with this matter. In any case, Kozyrev, Gratchev, and Yeltsin have promised to help. [passage omitted]

[Ozolins] But does it not seem now, that we have left Estonia alone, in a deadlock situation?

[Ulmanis] It was essential for Latvia to conclude these agreements because Latvia is situated in the very center of the Baltic region, not only politically but also militarily. The center of the activities of the Russian Army is located here, the headquarters and all the generals reside here—all the arteries of the Russian Army go through Riga. If this is removed, who will support the infrastructure in Estonia? They will be forced to find a solution to this situation very soon.

And there is another circumstance. Maybe the ambition and principality of the Estonians has led them to such a position, from which they cannot get out. The fact that we have moved forward, that we have the agreements now, and that no tragedy has resulted from it, on the contrary—stability has increased, which will help Estonians assess the situation and accept a normal solution. [passage omitted]

[Dimants] To what degree, when speaking of these problems, do you represent the LZS [Farmers Union]?

[Ulmanis] None at all. I am simply careful not to forget about the future. I think of what will occur in two or five years. Sometimes, we have consultations, but usually they do not ask my advice, and I do not pressure them, because I have formally refused to participate in the activities of the party.

[Elerte] To phrase the question concerning a possible crisis more precisely—I understand that currently you do not feel that you should seek a person who would be entrusted to construct a new government?

[Ulmanis] No, I have no such feeling. Yet, I am thinking about it. I have to consider such a possibility. I had very uneasy thoughts when the deputies voted with their feet [they left the session and there was no quorum]. They had calculated then, that the opposition will always be able to win, by voting with their feet. Even if 49 deputies would vote "for," and not one would be against or abstain, there would be no possibility of accepting a decision when the rest vote with their feet. That night I understood—now they have found a trick, and if they repeat it again and again, I shall be forced to announce that the Saeima is not able to continue its work.

[Ozolins] Mr. President, are you not afraid that the opposition might use you as a means of overthrowing the government, if they were to set their minds to it?

[Ulmanis] Well, there is a deadlock. If the opposition acts in this way, it is refusing to work. The deputies have been elected by the people, and I have the moral grounds to dismiss them. Still, I hope they do not go that far, because the people will simply scorn them. Moreover, some of them are quite reasonable people. I think they will have the reason to now behave in such a manner. Besides, I am not sure that the opposition would be pleased if parliament were dismissed.

[Elerte] What will be the next important question for the president, in which he could express his fundamental and, in a sense, decisive opinion?

[Ulmanis] Upon my return from Moscow, I thought to myself—may God allow me to work on this Russian question during my last two years in office. I would like it to be possible to resolve all of these problems, to stabilize our relationship, and to prove that the fourth agreement will not turn out as envisioned by the opposition. We still have to await ratification. I can tell you frankly, that no one is going to establish a joint-venture with Russia on the basis of a hospital. No one intends to give away apartments or building sites.

I think that, from a political point of view, Russia needed these agreements. For the military personnel, it was like a drop of water in the ocean. They just had to prove to the world that this is yet another Russian victory: We achieved the legal protection of our people and we did it in a civilized manner, hurrah!

From the point of view of recognizing the 1940 occupation, we have kind of lost, but at the same time we have grabbed hold of a gigantic lever—we can decide for ourselves what the fate will be of these military personnel in Latvia.

The institution of president in Latvia is the weakest in East Europe, in terms of legal backing, and has the least amount of power. I have only moral levers—moral categories, if you will—at my disposal. It may be that the Latvian president, regardless of whether it is me or somebody else, by introducing the institution of a moral category, will turn it into a powerful force in our country. To me, this might show the cleverness of our Constitution. Because, if I had the power to give orders to the administrative branch, I might have chosen the easiest way—to summon, order, and punish if something has not been done. But I do not have the power to give orders to anyone. I can only show the way toward fulfilling my ideas and aims.

[Dimants] Returning to the question of a candidate for the post of prime minister—would he come from the right wing of parliament?

[Ulmanis] No, not at the moment. Let them work, let them create their shadow cabinet. At present, I do not see anyone in the right wing who could form a team and lead the country.

We can quarrel with one another, but we have no rights to risk anything when it comes to the most important factors—Latvia, the Latvian people, and the future of our state. In my opinion, the right-wing forces do not often understand this, they are just playing with any toy they can get their hands on. They do not treat anything seriously.

You see, after the vote of confidence, the government became even more "leftist," because the result of the vote was decided by the "Concord for Latvia" faction. This time, it was the left wing that saved the government. They unmasked me, before I had time to frighten them. The Concord understood that the moment the vote came out negative, I would have had Birkavs form a new government. They were afraid the we would succeed in creating an even more successful government, and they would remain the losers. That explains why they voted for us in the no-confidence motion.

[Dimants] Will the conclusion of the agreements with Russia strengthen the government and the coalition?

[Ulmanis] That all depends on their implementation.

I would like the Farmers Union, in its opinions and political thinking, to become more stable. Sometimes something comes over them, and half of them "for" something and half vote "against" it.

Still, there are people who are against these agreements, people for whom they are inconvenient. The withdrawal of the Russian Army was the center of all our hatred and problems. Now, all of a sudden, this focal point has vanished. The right wing has lost their footing. They have to look elsewhere, for something new on which to harp. I do not know yet what, if anything, they will find. If they start to look for national harmony, this could become their focus.

[Ozolins] The question of citizenship will be coming up soon.

[Ulmanis] I am of the view that there is a rational enough model for this, and we should accept it sometime in May. We now have a positive image throughout Europe, and they are sending us cables of congratulations. If we, for example, accept this law in a couple weeks' time and Russia begins to howl, it will not be easy for Europe to turn against us.

[Elerte] If the West views these agreements as an inevitable and clever concession on the part of Latvia, the pressure on the citizenship law may not be very strong?

[Ulmanis] We often think that we have won the war, that we have at least the same power as Russia, that we are talking to the USSR or, at least, to Red Russia. We keep forgetting, however, that this is a new, democratic Russia, which is practically our only salvation. We should help them in every way possible, but this is seldom emphasized. We have now added to Russia's political prestige. Being small—almost as small as the tip of a needle—we have helped build the international prestige of Russia. They understand and appreciate this.

[Dimants] I would like to put a question to you concerning the right-wing forces. Is there a threat that they could turn and support a socialist way of developing the Latvian economy?

[Ulmanis] It is perfectly clear that one cannot last long on nationalism alone. Nonetheless, the intellectual sector is also essential. We should find our approach to the young people. Thus far, we have neglected this aspect—the aspect of molding the young people of our country. We model ourselves after the old ones—Berklavs, Lambergs, Krastins, Kirsteins, and Milbergs. I can name hundreds of people about whom everything is clear. But where are the young people from 1989, from 1990? Where will they lead Latvia?

This spring, I shall begin a new tour around Latvia. It will be orientated a little differently—more toward intellectuals and young people. Human emotions are no longer sufficient for me, and I seek something more difficult. Just in this situation, right after concluding the agreements with Russia, I wish to rush to Aluksne, to Gulbene, and meet thousands of people, looking them in the eyes. Let them express their dissatisfaction right away—I am of the personal conviction that I shall be able to explain my actions to them—to all those who are willing to listen.

You know, sometimes I think about the popularity rating of the president. I would like it to reflect only this one aspect. I am indifferent to the other directions. I would like to feel that on the basis of this rating, the Farmers Union will get stronger. Then I could be sure that I have achieved my mission, and can put an end to it.

Justice Minister: Joining WEU Means Closer Participation

WS1305140994 Tallinn BNS in English 0908 GMT 13 May 94

[Text] Riga, 13 May, BNS—Latvia's foreign and defense ministers will join the Western European Union's [WEU] sessions and the Latvian Government will build closer contacts with WEU Governments since the Baltic country received associate partnership of the group, Justice Minister Egils Levits told reporters Thursday [12 May].

The partnership of the European Union's fledgling defense group will help Latvia regulate relations with Russia, Levits said.

Levits described cooperation with the WEU as "entrance into NATO via detour."

As reported, the three Baltic republics of Latvia, Lithuania, and Estonia, as well as six East European countries, were offered WEU "associate partner" status Monday in Luxembourg.

In addition, the Baltic defense ministers met in Luxembourg by themselves and decided to join efforts to refute Russia's "alternative Partnership for Peace" program in the forthcoming Nordic defense ministers' conference, said Latvian Defense Minister Valdis Pavlovskis.

Committee Approves MFN Accord With Romania, Other Matters

LD1605165094 Riga Radio Riga Network in Latvian 1500 GMT 16 May 94

[Text] An agreement between the Latvian and Romanian Governments, which aims at the introduction of most favored nation status in trade between the two countries, was approved at a session of the Foreign Affairs and Security Committee of the Cabinet of Ministers today. According to the government information agency, several agreements with subjects of the Russian Federation were also approved at the session: on trade and economic cooperation between the Latvian and Karelian governments, and between Latvia and the Mari El Republic, as well as an agreement between the Latvian Ministry of Economics and the Russian Ministry of Machine Building [as heard] on cooperation in the machine building sector.

The composition of a government commission to monitor the implementation of the accord on the Russian troop withdrawal and the package of agreements was approved at the committee's session. In addition, the committee decided to set up a working group for drafting concepts of civil defense and a center for dealing with emergencies.

Lithuania

U.S. Delegation Begins Military Cooperation Talks

LD1605141794 Moscow ITAR-TASS in English 1311 GMT 16 May 94

[Report by ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius 16 May TASS—The official delegations of Lithuania and the United States began talks in Vilnius on Monday [16 May] to discuss military cooperation.

The American delegation is led by Ambassador at large Charles Freeman, assistant defence secretary for international security, and Alexander Vershbov, a high-ranking State Department official. The Lithuanian delegation is led by Security Minister Linas Linkevicius and representatives of the Lithuanian Interior Ministry.

The sides will discuss Lithuania's participation in the Partnership for Peace programme, the concept of national security for Lithuania and its new military doctrine. Much attention will also be paid to the establishment of a Lithuanian peace-keeping battalion and American assistance in establishing it and the Lithuanian Army.

The U.S. delegation, which has already visited Latvia will meet with members of the Lithuanian parliamentary committees for foreign affairs and national security and hold a news conference in the evening. On Tuesday it will leave for Estonia.

President Dismisses Ambassadors to France, Poland

WS1305150694 Tallinn BNS in English 1319 GMT 13 May 94

[Text] Vilnius, 13 May, BNS—Lithuanian President Algirdas Brazauskas on Friday [13 May] in a no surprise move signed several decrees on rearrangements in the country's diplomatic corps.

The president decided to dismiss Osvaldas Balakauskas, ambassador to France, and Dainius Junevicius, ambassador to Poland, who were both appointed by the previous administration of Vytautas Landsbergis.

Aurimas Taurantas, Lithuania's charge d' affaires to the Council of Europe, and Vytautas Einoris, charge d' affaires to Kazakhstan, were both promoted to the rank of extraordinary and plenipotentiary ambassador.

Prime Minister Details VAT Policy

WS1705100094 Vilnius RESPUBLIKA in Lithuanian 10 May 94 No. 90 p 4

[Interview with Lithuanian Prime Minister Adolfas Slezevicius by Ruta Grineviciute under the "Opinions" rubric; place and date not given: "VAT—Against S. Urniezius"]

[Text] [Grineviciute] For the second week running, RESPUBLIKA has failed to receive a reply as to how much money the VAT [value-added tax] will contribute to the state budget. Finance Minister E. Vilkelis has said: "No one can say how much budget revenues will increase." Maybe you know the answer?

[Slezevicius] While debating the budget law, the Seimas [parliament] estimated budget revenues from the VAT at 967 million litai, or 25 percent.

The VAT is a long-term rather than a temporary economic policy measure. This tax does not uphold the government's popularity, because its introduction increases prices. On the other hand, however, the VAT makes the collection of taxes more effective and, thus, disciplines the community.

[Grineviciute] Prior to the VAT, you used to say that the total of collected taxes accounted for about 30 percent. What is the VAT ratio in this respect?

[Slezevicius] This should be assessed by experts. I myself have not drafted such predictions. One can say, however, that the collection of taxes in our state is ineffective, and that there are many ways to evade them. The tax system that is being projected now should improve the situation.

Another aspect of the same problem is responsibility for the nonpayment of taxes. We are planning to rally a group of lawyers who will draft specific laws on combating this phenomenon. These documents will be of the same type as the law on preventive detention.

[Grineviciute] Are you drawing a parallel between the nonpayment of taxes and organized crime?

[Slezevicius] The latter are alike, according to the importance, severity, and effectiveness of these measures.

[Grineviciute] However, if in cases of businessmen who do not pay taxes, we resort to measures similar to those that are applied to organized criminals, we could jail all businessmen after doing our best.

[Slezevicius] I suppose that there are quite a few companies and firms (I have worked in business and I know this) that do not engage in illegal trade. Every respectable businessman is moving away from the shadow economy. Finally, we will apply economic rather than physical (imprisonment—R.G.) measures.

[Grineviciute] In your opinion, can these laws be retroactive? Should they create conditions for law enforcement institutions to inquire into the manner in which the capital stock of firms was accumulated?

[Slezevicius] Certainly, we should choose the zero option and leave history intact.

[Grineviciute] How would you comment on the fact that over the first days after the VAT introduction, contrary to the predictions of government experts, gas and bread prices went up by about 30 percent, while lines appeared on the border, because customs services began to collect the VAT?

[Slezevicius] We have always said that this temporary price hike is linked with the desire of separate commercial structures to earn surplus profits over the short term. There are no objective reasons for the price rise to exceed 18 percent (the VAT). Traders will have to reduce their prices, otherwise, their turnover will decline.

The rush at the border should not be explained by the unpreparedness for the VAT introduction, but it should be interpreted as the businessmen's great desire to bring goods into our country before 1 May.

[Grineviciute] How do you plan to collect the VAT? Thus far, this has depended on a person collecting the VAT, on his "price."

[Slezevicius] This tax is perfect because it does not allow an official alone to decide whether or not to pay it. This tax is paid in the entire "chain." One can receive compensation from the budget only after paying everything. This system forces one to pay.

[Grineviciute] Recently, S. Urniezius, "Duke Vilgaudas of the Gediminaiciai" [leader of young people's patriotic organization bearing the name of Lithuania's 13th-century Grand Duke Gediminas], announced his plans to sell cheap alcohol. In the opinion of experts, only contraband liquor could be so cheap. How will you force Mr. Urniezius to pay taxes?

[Slezevicius] Measures that we are introducing now are directed against such citizens as S. Urniezius—he seems to represent a noble family, but his actions can hardly be called noble. He is trying to sell and promote contraband goods. This demoralizes the community. We are preparing to toughen the rules for applying excise bands. This will be done not at customs warehouses, where one has the chance of leaving transit goods illegally in our country, but at the producer's place. When goods are imported to Lithuania, it must be clear where they will be sold. We will apply the same requirements to local producers. For example, "Philip Morris" exports production and does not pay us any taxes, but its products "settle down" here. We must look for an antidote! True, those who do not pay taxes are looking for an "antidote" against them.

[Grineviciute] What is a VAT antidote?

[Slezevicius] Such recommendations are not my function. Let us not discuss issues that are not the matter of our discussion. Laws are binding on everyone.

[Grineviciute] Will the increased rate of inflation due to the VAT require an adjustment in the litas-dollar exchange rate?

[Slezevicius] The increased rate of inflation is estimated at 10 percent. We hope to compensate it by raising people's wages and pensions.

[Grineviciute] In this case, however, the fixed exchange rate will be unreal.

[Slezevicius] There is a lot of mismanagement in production. The consumption of energy and resources is overly large, and technologies are imperfect (therefore, production costs are so high). The difference in the level of inflation should be offset by increased effectiveness of production. These reserves will last us for a long time, and we will not have to talk about the devaluation of the litas.

[Grineviciute] Recently, the government cancelled the payment of debts and taxes for a number of state-run enterprises. How long will our state budget be used for the artificial sustenance of bankrupt enterprises and reduction of unemployment?

[Slezevicius] Those enterprises were not exempt from taxes. We wanted to separate the moribund ones from those which have some chances of survival. Taxes were cancelled for the Alytus refrigerator plant, some electronic enterprises, the cotton mill, and others. These are enterprises which will survive, and they should not be placed in an awkward situation.

[Grineviciute] How should business, which cannot get loans or their guarantees, to say nothing of the cancellation of taxes, survive under the conditions when government support is extended only to state-run firms?

[Slezevicius] The shortage and costliness of credit resources is one of our key economic problems. The Currencies Council and the Law on Commercial Banks should increase possibilities to receive loans and reduce their prices. The government does not distribute credits any longer. This is accomplished through commercial banks. It is the latter that will decide to whom credits should be extended.

Premier Meets Health Leaders; Minister Notes Debt Problem

WS1605125694 Vilnius ELTA in English 1835 GMT 13 May 94

[From "News Bulletin" No. 499]

[Text] Vilnius, 13 May, ELTA—Prime Minister Adolfas Slezevicius met leaders of health organizations on Thursday [12 May] and talked about threatening economic situation of Lithuanian health care.

Health Minister Jurgis Bredikis told a news conference on Friday that hospitals were overburdened by huge debts. Six million Litas are unpaid by them only for municipal services.

There is a great lack of medicines, equipment, dressing, clothes and other necessary things in hospitals. Bredikis said 9 million Litas were still not transferred from the budget for the needs of the health system.

Bredikis also said that, because of difficult economic situation and before creating the medical insurance system, an amount of paid medical services would be increased.

Interior Minister on Criminal Law, Ties With Press

WS1305131394 Vilnius RESPUBLIKA in Lithuanian 7 May 94 No. 89 p 5

[Interview with Lithuanian Interior Minister Romasis Vaitekunas by Nijole Versinskiene, under the "Pressing" rubric; place and date not given: "The Constitution Protects the Victim"]

[Excerpts] [Passage omitted] [Versinskiene] You must agree that criminals become particularly impertinent if their crimes are not exposed, and if they go unpunished.

[Vaitekunas] Yes, explosions, the beginning of privatization, innovative economic changes—all these things are interrelated and they manifest themselves in the criminal world in the most repulsive manner. When I assumed this office, my colleagues and I primarily stated that we could not pursue normal results without a normal instrument, that is, the law. This is from what we began. A department was set up at the ministry to prepare draft laws. Where did the law on preventive detention originate? At the ministry. Certainly, the Seimas [parliament] had to bring itself to adopt such an untraditional decision. However, we did not see a better option under the conditions of that time. No one proposed such an option. This played an important role in stabilizing the situation. We believe that the perspective is linked with the law, where our initiative is essential.

Certainly, our influence on the criminal situation is the greatest through the exposure of offenses. I suppose that it is the exposure of some brutal and impertinent crimes which has allowed us to stabilize the situation slightly and forced criminals to change "forms" of work. Crimes are becoming more intelligent... [passage omitted]

[Versinskiene] Let us go back to the law on preventive detention. How many people were detained in our country under this law? Are there any situations when courts send the work of investigators down the drain, when criminals are released from court rooms, or when they receive very mild punishments?

[Vaitekunas] We detained 270 people over the four months it was in effect last year, and more than 90 individuals this year.

I would not dare accuse courts, but the situation is hardly favorable. We have agreed with the prosecutor general to hold a coordination meeting in the near future. Courts often return criminal cases so as to add new facts to the investigation, while their motives concern the uncertainty about the restriction of witnesses and their evidence. Some lawyers claim that this restriction should be interpreted in a very specific manner—the restriction of persons themselves rather than their evidence. What would such restriction mean then? We disagree with such a position. Therefore, we have already submitted for government's consideration and coordination a package of amendments to laws that would really allow to classify witnesses, victims, and their evidence as secret. Opponents say that this restricts their right to defense, that the defender and the accused are not allowed to familiarize themselves with all material, and that constitutional human rights are violated. Yes, this sounds nice. However, we all enjoy these rights. If the latter are endangered, the Constitution protects the victim. [passage omitted]

[Versinskiene] Your relations with the press are rather complicated. Why do journalists often fail to receive information from officials?

[Vaitekunas] The press is meant for the reader. Therefore, it goes without saying that it wants to provide operative information. We are interested in the press, because it is also our way of communicating with people. If an official providing information feels responsible and comments on an event or fact in line with his duties, there should not be any misunderstandings. I am being frank—I have a special sentiment for your paper. RESPUBLIKA has been of great help for me not only as a human being, but also as an official in my difficult duties. I have already said and I can repeat again that RESPUBLIKA and I are on the same side of the barricade. However, one must always remember that all people, even journalists, make mistakes. Thus, one should also admit one's mistakes. I miss one thing in the press—I would like to see not only recorded facts and superficial descriptions, but also more thorough analyses. Journalists are people who look to the perspective and who have broad views. Therefore, their possibilities to influence various processes are also very large.

[Versinskiene] My last question concerns the perspective in particular. There are plans to transfer border defense to your ministry. Are you ready for that?

[Vaitekunas] It is the Seimas that will adopt the final decision. Amendments to relevant laws have already been drafted. First of all, this means very considerable physical

work for us—the number of jobs alone in this system is 6,000. On the other hand, there is great responsibility. After all legal issues are settled, they will demand the immediate introduction of order on the border. However, no one can promise this, because it is a process rather than a one-day job. Nevertheless, there is no other way. We also have a virtual need for this. Looting, car thefts, drugs, contraband—everything travels across the border. We will assume all the responsibility then, and there will be no one to accuse. [passage omitted]

Interior Minister on Organized Crime, Self-Defense

WS1605141894 Vilnius TIESA in Lithuanian 12 May 94 No. 92 pp 1, 4

[Interview with Lithuanian Interior Minister Romasis Vaitekunas by Ceslovas Skarzinskas; place and date not given: "Criminals Are Becoming More Impertinent, But the Police Are Not Idling Around"]

[Excerpts] [Skarzinskas] Mr. Minister, you expressed your joy at the enlarged Interior Ministry collegium meeting that you managed to stabilize the criminal situation in Lithuania over the first quarter of this year. Unfortunately, a new wave of killing and plundering has recently engulfed the country. Why has this happened?

[Vaitekunas] The Interior Ministry collegium meeting only provided criminal statistics pertaining to the first quarter of this year. They partially reflect the general decline in crime. On the other hand, the exposure of crimes has improved. This indicator is the key one in assessing the work of criminal police.

The increasing number of grave crimes, particularly of premeditated murders, is cause for concern. [passage omitted]

[Skarzinskas] President A. Brazauskas recently issued a decree establishing the Coordination Committee for Crime Prevention, to which you also belong. I wonder what joint action you have taken against offenders?

[Vaitekunas] This is not a new institution. Back in 1993, a decree of the Lithuanian president established a working group for combating organized crime and corruption. This group was very active in proposing draft laws. It also assisted in preparing the Penal Code and the Criminal Proceedings Code, and revisions and amendments to the law on operative actions. Enlarged meetings of this group, which are also attended by the president of the Republic, address the most pressing issues of crime, the activities of law enforcement and other institutions, and grant specific obligations to officials and offices. In my opinion, this helps concentrate and coordinate actions.

[Skarzinskas] You said at the ministry collegium meeting that you succeeded in striking a blow to criminal groups and splitting their ranks. However, your opponents, including Seimas [parliament] Deputy Chairman E. Bickauskas, are rather skeptical about the criminal situation in Lithuania. How could you comment on your opponents' arguments?

[Vaitekunas] We do not work for single reports. There is the sole desire to stabilize crime, which is manifesting itself in increasingly new forms. I would say that it is incorrect to ignore any positive changes in our work. No one argues that we want to accomplish more by prompt actions. However, this is not production. [passage omitted]

[Skarzinskas] The Interior Ministry is planning to establish additional economic police subunits. What will be their specific duties?

[Vaitekunas] The Government of the Republic of Lithuania has adopted a decision to create an additional 100 jobs at the Interior Ministry Department for Investigating Economic Crime and its subdivisions in all towns and regions. Officials of these new subunits will specialize in the financial system and closely cooperate with tax inspections so as to better expose these crimes. The number of such crimes has increased recently. Our task is to enlarge the state budget through operative means.

[Skarzinskas] Will the legalization of firearms for self-defense as of 1 April really help people protect themselves against criminals in the slightest manner?

[Vaitekunas] One can only predict this. The position of the Interior Ministry is that we do not intend to issue mass permits for acquiring firearms. Life will show how much this law affects crime. Thus far, the number of crimes committed with firearms has not dropped. We draw on the experience of foreign countries in our activities, and we do not want to commit any grievous mistakes.

[Skarzinskas] Most of our readers are interested in the current number of political prisoners in Lithuania.

[Vaitekunas] There are three persons imprisoned for crimes against the state. [passage omitted]

[Skarzinskas] The popularity ratings of the police are the lowest among legal institutions. Why is the community's trust in the police so moderate?

[Vaitekunas] First of all, you are slightly incorrect. Out of the 10 most often rated institutions in Lithuania, the police occupy eighth place. These ratings also include courts, which rank close to us in the opinion polls. The police is trusted by 30 percent of those polled. Why this percentage? There are many reasons. Our strategic goal is to seek greater trust among the people. This is necessary not only for us, but also for those who are in trouble. The police ratings primarily depend on the results of our work. [passage omitted]

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